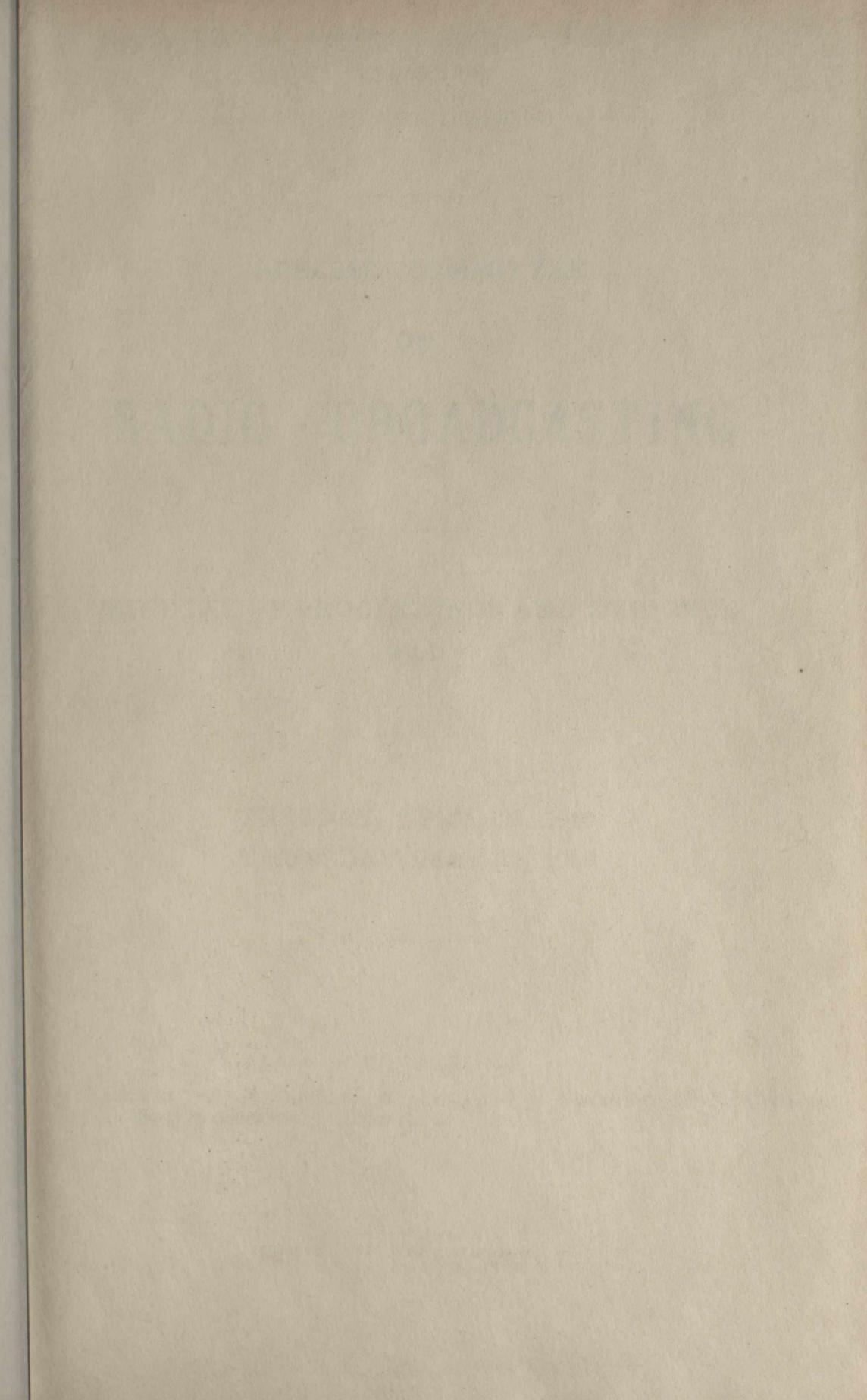


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SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

TUESDAY, APRIL 25, 1950

THURSDAY, MAY 11, 1950

WITNESS:

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

SPECIAL COMMITTEE

on

RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspé*), Esq.

Messrs.

Balcer	Gauthier (<i>Sudbury</i>)	Robinson
Boisvert	Hansell	Riley
Côté (<i>St. Jean-Iberville-Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary</i>)
Diefenbaker	Kirk (<i>Antigonish Guysborough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE.

ORDER OF REFERENCE

TUESDAY, 18th April, 1950.

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 opinions thereon, and to send for persons, papers and records.

That the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary.

That the Committee have power to meet while the House is sitting.

That the committee shall consist of the following members:—Messrs. Balcer, Boisvert, Côté (*St. Jean-Iberville-Napierville*), Decore, Diefenbaker, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Isnor, Kent, Knight, Langlois (*Gaspé*), Maybank, McCann, Murray (*Cariboo*), Richard (*Ottawa East*), Robinson, Riley, Smith (*Moose Mountain*), Smith (*Calgary West*), Stewart (*Winnipeg North*), and Whitman.

That Standing Orders 64 and 65 be suspended in relation thereto.

FRIDAY, 5th of May, 1950.

Ordered,—That the name of Mr. Kirk (*Antigonish-Guysborough*) be substituted for that of Mr. Isnor on the said Committee.

MONDAY, 8th of May, 1950.

Ordered,—That the name of Mr. Winters be substituted for that of Mr. McCann on the said Committee.

Attest.

LÉON-J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, April 25, 1950.

The Special Committee on Radio Broadcasting held its organization meeting at 10.30 o'clock.

Members present: Messrs. Balcer, Boisvert, Decore, Diefenbaker, Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Isnor, Knight, Langlois (*Gaspé*), McCann, Murray (*Cariboo*), Richard (*Ottawa East*), Riley, Smith (*Moose Mountain*), Stewart (*Winnipeg North*).—17.

The Clerk presided over the election of the Chairman.

Mr. Fleming moved that Mr. Isnor be elected Chairman. Mr. Isnor declined the nomination and Mr. Fleming withdrew his motion.

On motion of Mr. Isnor, seconded by Mr. Gauthier (*Portneuf*), Mr. Maybank was elected Chairman.

Mr. Langlois was elected Vice-Chairman, on motion of Mr. Boisvert.

The membership of the sub-committee on Agenda (Steering Committee) was left to the Chair.

After discussion and on motion of Mr. Murray (*Cariboo*):

Ordered,—That 600 copies in English and 250 copies in French of the minutes of proceedings and evidence be printed from day to day.

Mr. Gauthier (*Portneuf*), raised the question of the delay in the availability of the French copies. After discussion, it was agreed that the Chairman have an enquiry made.

The Chairman read the Order of Reference (*see page 1, No. 1 of the printed evidence*).

A general discussion followed on

1. The possibility of having briefs produced and released at one meeting and then examination made at the subsequent meeting;
2. The hours of meetings and the order of witnesses;
3. The interpretation of the word "development" incorporated in the Order of Reference.

The Chairman invited the Minister of National Revenue, Dr. James J. McCann, to address the Committee. He said he was happy to see the Committee already at work and he commented on

- (a) The usual interest shown in the deliberations of the Committee;
- (b) The volume of work which lies ahead;
- (c) The past and possible growth of the Canadian Broadcasting Corporation;
- (d) The progressive development and operating costs of Canada's national system of broadcasting;
- (e) The international short wave installations;
- (f) The reference to the Royal Commission on arts, letters and sciences.

The Minister regretted that due to his early departure for Geneva where he will attend the W.H.O. he will be unable to follow the proceedings. He invited

the Committee to visit the Montreal headquarters of the C.B.C. and assured the members of the Committee of the willingness of the C.B.C. officials to appear as requested.

The Chairman gave notice of an early meeting of the Agenda Committee to which Messrs. Langlois, *Vice-Chairman*, Isnor, Richard (*Ottawa East*), and Hansell were designated forthwith.

At 11.10 the Committee adjourned at the call of the Chair.

THURSDAY, May 11, 1950.

The Special Committee on Radio Broadcasting met at 11 o'clock. Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Balcer, Boisvert, Diefenbaker, Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kirk (*Antigonish-Guysborough*), Kent, Knight, Langlois (*Gaspé*), Maybank, Richard (*Ottawa East*), Robinson, Riley, Smith (*Calgary West*)—17.

In attendance: From the Canadian Broadcasting Corporation: Messrs. A. D. Dunton, Chairman; Augustin Frigon, General Manager; Donald Manson, Assistant General Manager; E. L. Bushnell, Director-General of Programs; J. A. Ouimet, Chief Engineer; Harry Bramah, Treasurer; George Young, Director, Station Relations; Hugh Palmer, Secretary, Board of Governors; R. C. Fraser, Director, Press and Information.

From the Department of Transport: Messrs. G. C. W. Browne, Controller of Radio; W. A. Caton, Chief Inspector of Radio; also Mr. T. J. Allard, General Manager of the Canadian Association of Broadcasters and Manager of the Radio Bureau.

The Chairman made a verbal report on the proceedings of the sub-Committee on Agenda whose membership is as follows: Messrs. Langlois, (*Gaspé*) *Vice-Chairman*, Richard (*Ottawa East*), Hansell, Fleming and Stewart (*Winnipeg North*). Another member will be designated to replace Mr. Isnor, appointed to the Senate.

A discussion took place on procedure in the light of latest events.

Mr. Dunton was called and concluded his general remarks. Dr. Augustin Frigon assisted him in supplying answers to questions on rates.

The following documents were tabled and copies distributed forthwith:

1. Annual Report of the C.B.C., 1948-49, E.F.
2. An outline of the development of the National System of Broadcasting in Canada.—E.
3. Brief of the Board of Governors to the Royal Commission on National Development in Arts, Letters and Sciences.—E.F.
4. C.B.C. programming—*Appendix I*.—E.
5. The Canadian Broadcasting Act, 1936 and By Laws.—E.F.
6. C.B.C. Regulations for broadcasting stations.—E.F.
7. Handbook on political and controversial broadcasting.—E.
8. The Radio Act, 1938 and regulations with amendments (Department of Transport).—E.
9. Television statements of the Board of Governors, May 17, Nov. 13, 1948 and April 11, 1949.—E.
10. Government statement on Television policy—March 28, 1949.—E.

The meeting called for 4 o'clock this day was cancelled.

At 12.30, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS

Thursday, May 11, 1950.

The Special Committee appointed to inquire into Radio Broadcasting met at 11 a.m. Mr. Ralph Maybank, the Chairman, presided.

The CHAIRMAN: Gentlemen, we have a quorum. The steering committee met, it seems to me, quite a long time ago. Our sitting to deal with radio matters this morning seems a little unrealistic to me because I have been away for several days out where all the water is and I find it difficult to get my mind back to things here.

Some few days ago at any rate the steering committee met. There was not a great deal to do at that time except to arrange for this meeting. Opening this meeting as usual would be the appearance by the C.B.C. Now I want to apologize at once, particularly to Mr. Diefenbaker, for the fact that documents which were technically placed in my possession did not get around to the membership. Mr. Diefenbaker raised the point at the first meeting that it would be a good idea, whenever possible, for documents to be filed here and, thus, as you might say, be made public, so that the members of the committee would have an opportunity to study them before actually embarking upon an examination of the witnesses. The steering committee thought it was a good idea and it was so arranged, and I arranged it with Mr. Dunton. Mr. Dunton sent various papers to me and had I been here, those papers would have been distributed. But I got back only this morning at 8 o'clock and my secretary was uncertain whether or not to take it on her own shoulders to see that the documents were distributed.

When I spoke to Mr. Dunton about the presentation by the C.B.C. he pointed out that in the way of a general plan or story he was rather at a loss to tell us anything additional to the presentation which has already been made to the Massey Commission. So, subject to what might develop in the committee, I agreed with him that probably what was said to the Massey Commission was based on the documents he would lay before us. In addition to that, there are the financial statements which by now, as you will understand, are pretty stale, because they were for the close of the fiscal year. In addition to that the financial statements up to now can be given as an approximation so that the committee would have them also.

The papers of which I have spoken have been handed to me for distribution; and together with them are also certain basic documents prepared by the secretary, such as the Act and Regulations, and that sort of thing. It might be that they could be distributed now and that would be our starting point.

While they are being distributed, there is a point which has been brought up. Mr. Fleming and I were talking about it just a few minutes ago. I mean the question not merely of getting a quorum in this committee but a quorum generally. Apparently there will be quite a considerable exodus from here this afternoon; quite a considerable number of people are going to be in other places.

Mr. SMITH: Bet your money on Detroit on Sunday.

The CHAIRMAN: If I cannot get away myself perhaps some person who is going—and I am not looking at any particular person, but I spoke to one just now—will carry my money down and bet it for me.

Mr. SMITH: We shall have to bet with one another in Canadian funds.

The CHAIRMAN: Yes, yes. Now your steering committee suggested, as has been done over the years, that we should sit at 11 o'clock in the morning and 4 o'clock in the afternoon with a view to continuing on Friday as has been done in other years when we have had out-of-town witnesses and in case it should be necessary to accommodate them in that way. But from what I have been told I do not know what the situation is for today. Are there any comments about our sitting this afternoon?

Mr. RILEY: The Public Accounts Committee is sitting this afternoon. Is there not some way that these committees can sit at such times that we who are members of those committees may attend them? I think it is ridiculous to be a member of a committee if you cannot attend that committee.

Mr. SMITH: I would suggest in view of the fact that 50 members are going away this afternoon—I can look to my left and see two or three who are right close to me—that we should not endeavour to sit this afternoon. It may inconvenience someone a little bit, but Ottawa is a nice place to visit, so I think it is a good idea. I shall not make a motion, but I do suggest that we do not sit this afternoon.

The CHAIRMAN: I am not saying this in disagreement, but you will remember that there are some people here from Toronto. Is that right, Mr. Dunton?

Mr. SMITH: I know, but it is a gift for them.

The CHAIRMAN: You said Ottawa was a nice place to visit?

Mr. SMITH: Yes.

The CHAIRMAN: There might be a difference of opinion about that. But what do you think about it? Would that inconvenience those who have come here? And what does it mean to you?

Mr. DUNTON: It would not be any inconvenience. The others are here and I think they are planning to say until tomorrow because they understood that the committee might sit tomorrow as well.

Mr. FLEMING: There is another angle to it: the question of the best way to spend our time. We have had a good deal of material just handed to us and unless we are going to sit here and have it read aloud to us, I think we would be making about as much progress if we allow ourselves an opportunity to read and digest this material, and then come back here prepared to ask our questions. I doubt very much if any of us can read through all this material before the meeting this afternoon which is scheduled for 4 o'clock.

Mr. Riley's point will probably have to be reconsidered by the steering committee. I believe in the 1946-47 session when this committee was sitting, Thursday was the day on which we always sat both morning and afternoon, and we reserved Friday to carry over, in case we did not finish with any of the witnesses who were here. But with so many committees sitting now it may be that we shall have to reconsider what has been suggested by the steering committee in regard to the days of sitting. I think we should try to select a day when we can arrange to have two meetings because there are witnesses who will be coming here for the C.B.C. from both Toronto and Montreal, and in order to make it worth while I believe we should plan to sit twice in the one day. It may be that we shall have to switch one of the meetings to the evening rather than to have one in the morning and one in the afternoon.

Mr. RILEY: Are we to be bound by some law that we must sit at 11 a.m.? Could we not sit at 10 a.m. and go through to 1 o'clock, or something like that?

The CHAIRMAN: You mean with a view to cutting out the afternoon meeting?

Mr. RILEY: Yes, if it is going to conflict with some other committee; or the question might be cleared through some central source so that these meetings would not conflict.

Mr. GAUTHIER (*Sudbury*): Mr. Chairman, I think we should clear up Mr. Smith's point first. Let me say that I am going to be a pilgrim to Windsor for the week-end.

Mr. SMITH: They are giving away a fork to everybody who goes.

The CHAIRMAN: Mr. Smith did not make a motion and I fancy we do not need a motion. So would you just give me a show of hands as to whether you think we should sit this afternoon or should not sit this afternoon. Let us take the negative first. All those who think we should not sit this afternoon please raise their hands? I think that is the majority. All those opposed? We take that as the decision. By the way I should mention to you that in case anybody wishes to ask a question of Mr. Dunton at 12.30 o'clock today we should release him at that time because he has to go over to the Canadian Club luncheon which is being held today in honour of Sir Basil Brooke. In fact, there may be some others who will be attending that luncheon. I know that the committee will accommodate him in that regard.

Well, with respect to Thursday meetings, past experience has shown us that the way we have lined it up this time is the most satisfactory way. Nevertheless, I think we ought to clear with other committees and see whether we can get something that will fit better than the times we have so far suggested to you. Would it be satisfactory to leave it that way? We shall endeavour at any rate to work out with other chairmen some clear periods.

Mr. RILEY: What about the evening meetings? Is it not possible to hold evening meetings for some specific reason, as that we have people here who have to be accommodated, and therefore we would continue on into the evening. But I think you generally do not find a very good response to evening meetings among the members. Does anybody wish to comment on that?

Mr. GAUTHIER (*Sudbury*): I think we should leave the matter to the steering committee.

Mr. KNIGHT: I think we should get under way now. These things will iron themselves out.

Mr. GAUTHIER (*Sudbury*): I think the steering committee might get in touch with the other chairmen and bring to us their suggestions.

The CHAIRMAN: Yes. Now, normally we would commence by going over the brief of the C.B.C. And despite the fact that every person wants to read it before he can adequately examine upon it and also read over the documents before he can adequately examine upon any of them, I fancy that is about the best way for us to start this morning.

At the present time probably some general questions could be introduced as we go along. What would you think about that?

Mr. Dunton wishes to make some general remarks first which would to a certain extent tie up with this material we have before us. So I suggest we ask Mr. Dunton to make his general remarks relative to the position of the C.B.C. Is that agreed? Very well then. I now call upon Mr. Dunton.

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

The WITNESS: Mr. Chairman and Gentlemen: We are called once more to appear before this special parliamentary committee on broadcasting. We are glad, because the C.B.C. Corporation has very big responsibilities to the public through parliament, and we are glad in many ways to appear for examination on how we have carried out those responsibilities. We hope you will think well of what we have done. We shall be glad to know of errors which you may find, and to learn of recommendations which you may wish to make concerning how we have carried out our trust.

You have before you the annual report of the corporation for the year 1948-1949. That report of course covers a period which ended a little over a year ago, but I suggest it is still a good basis of study and a good basis of consideration by this committee, because there has not been any great change in policy or in operations during the year. The chief changes are due to the inexorable rise in cost of rates.

We have also made available to the committee, because we thought it would be useful, a copy of our memorandum submitted to the Royal Commission on National Development in the Arts, Letters and Sciences. It is rather more complete than the material in the annual report and it attempts to give an over-all picture of the radio system, of the basis for it, and of the details of its operations, as well as some of the whys and wherefors of its operations. And included is an appendix on the programming of the national system.

In addition, we learned—it was suggested by the steering committee—that it would be useful to have some form of history of the national system. So we have made available an unofficial summary of the development of the national system. It was done quite hurriedly by officials of the corporation to aid the members of this committee. Perhaps those who are new to the committee might find it interesting.

First, I should review some of the developments of the last year to bring things up to date. The last year has been a pretty busy one. There have been all the usual activities of a national system and in addition much work involved on television. Senior officials have had to spend a good deal of time and work in connection with the Royal Commission.

We have no particular changes or outstanding improvements to report. But the Board feels there has been a certain general improvement and a tightening up of the over-all services of the corporation.

On the programming side, in respect to the Trans-Canada network, I think there has been some general improvement. The most important development has come in the programming for Sunday night. Late last fall we started quite a new program which is called the National Sunday Evening Hour, from Ottawa. That was done after a good deal of thought and consideration. It was an attempt to put out a program of broadcasting which would reach a great many people who would be listening in at one of the very best times in the week. The broadcast deals with some of the spiritual and religious values in life. We thought it should be one which would answer the materialistic kind of tendencies abroad in the world and in our society. Thus we planned it, and so far it has met with excellent cooperation. It has been carried out on a non-denominational basis with the idea of having as speakers outstanding spiritual leaders from different denominations, speaking on a non-denominational broadcast and not particularly in a denominational way, about basic spiritual values and their relationship to the lives of ordinary people.

In general, Sunday night has been developed really more in line with the Sunday night program of our French network which I think has been quite outstanding for a number of years.

Following the National Sunday Evening Hour we have a new program of Canadian talent called "Startime"; and I suggest that the people who thought there was not much talent in Canada can get a pretty good idea about it by listening to that program. The purpose is to use different talent each week.

Sunday night also has a program entitled "Stage 50" and other programs which are non-commercial after the late afternoon, when there is one commercial broadcast.

On the more high brow side of cultural development, I believe that Wednesday night is gaining increasing recognition not only in this country but in other countries as quite an outstanding development in broadcasting. It is deliberately planned as radio fare of a more solid, stimulating and challenging kind. (We try to avoid the word "cultural".) There are people who like that sort of program, and they know that they will get it on that night. It is gaining in following and we find an increasing number of listeners in Canada. We are very pleased to notice quite a sharp increase in our mail from listeners in the United States referring particularly to the Wednesday night programs as well as to a number of other programs.

I think there has been on the whole a general improvement of the other programs of the Trans-Canada network but with no startling developments. The French network has maintained its same balance with some improvements. But it is handicapped in further development by rigidity coming from commercial commitments, because on the French side we still have only the one network, and that fact handicaps some changes and developments of new programs on the French side. The handicaps come from commercial rigidity as well as from the financial side.

The Dominion network has had a very healthy development this year partly through more, and, in some cases, better commercial programs, and also in the useful development and improvement in sustaining programs. On that network our program department is developing new types of broadcasts dealing with public affairs and more serious things in such a way as to attract a lively interest by the listeners; for example a new type of program dealing with matters of industry, including questions having to do with labour and management and other aspects of economic life; broadcasts dealing with problems of citizenship and mental health, as well as other questions.

I think the program fare has somewhat improved this year in a general way. But we in the corporation feel that it could be a good deal better in a number of ways. We feel there should be more Canadian programs. We know there is more talent available in the country if there were only some opportunity to use it and develop it. That means not only finances to pay for that talent but also an increased organization to handle the talent and the time to have it on the air.

As we shall explain a little later on, we are faced with rising costs on the one hand and with a static revenue on the other. There are a number of things on the programming side which we know we should do for the public but which we simply are unable to do.

A matter developed in the last year which was not covered in the last annual report although it was mentioned that it was going to take place; namely, the taking over of the broadcasting system in Newfoundland.

Newfoundland previously had its own publicly owned system which had a constitution rather like our own. But under Confederation it was arranged for the system to be taken over by the C.B.C. and that was done. In the preparations before the day of Union our engineers worked and assisted the engineers of the Canadian National Telegraph and of the Department of Transport and others. Together they were able by hard and strenuous work to have radio network communication with Newfoundland for the first time—they were just able to get it ready for the Day of Union. The members of the committee

will agree that it was a very fine thing that those opening ceremonies were heard by the people of Canada, not only what was going on in St. John's, Newfoundland, but also the ceremonies in Ottawa, which were broadcast all over Canada. So starting from that day the Newfoundland system became part of the National System of Canada.

With respect to our policy, we have tried to work it out very carefully after consultation with people in Newfoundland. This part of the country has its own special needs in broadcasting and we have tried to meet those needs as they were being met by the Broadcasting Corporation in Newfoundland.

We have tried, in fact, to keep what was of special value to Newfoundland in their system, and to add to it the network service from the rest of Canada. I think it has been of great value to the people of Newfoundland. We have received great praise of the service, but of course there has been some criticism and a number of people would still like further service.

We would like to make improvements through more national network services; Newfoundland has no Dominion network service so far. We also are gradually improving the operations in Newfoundland, and the broadcasting going in there from the rest of the country; and also we wish to develop more broadcasting coming out of Newfoundland to the rest of the country. Newfoundland is of course, as it comes into our operations, a deficit operation. The costs, particularly in the years ahead, as we see them, will decidedly not be covered by the revenues which can be related to Newfoundland, but it does seem a very important part of our national job.

On the matter of the coverage of our programs, apart from what the programs are during the year, we cannot report the completion of any new C.B.C. projects. There are several projects going ahead now which are mentioned in the report, as were mentioned to the last Parliamentary committee, which have been planned for several years. The first is a station in the Windsor area which has been very badly needed for a number of years. It was the most serious gap in coverage in Canada. The people there were getting practically no Canadian national programs. This station is expected to be ready about June. We are also going ahead with increasing the power of CBM, the English language station in Montreal, to 50 kilowatts, and the power of CBR, Vancouver, to 10 kilowatts. In the case of Montreal this was needed to improve the service to English language listeners in parts of the province more distant from Montreal, but we also had to go ahead to protect the classification of the channel under the Havana Treaty. The same considerations apply to Vancouver.

The CHAIRMAN: Is that a 1-A or 1-B channel?

The WITNESS: Both are 1-B. The only extension of coverage this past year came with the adding of several private stations as supplementaries. Unfortunately, because of our financial position we had to refuse a number of other stations, and the stations that were affiliated were joined under arrangements by which the stations themselves made some contribution to the wire line cost of connecting them to the network. In the general coverage situation, when the Windsor station goes in, all the main areas of population in the country will be covered with some form of service. On the Trans-Canada network, over a majority of the population is serviced with a number of CBC stations with some private stations in addition; on the Dominion network mostly through private stations apart from our station serving Southern Ontario. But there are quite a number of more outlying areas in the country where there is no service available or where the service is inadequate. In northern British Columbia, particularly between Prince George and Prince Rupert, there is quite a population which now gets next to no service. There are other areas in northern British Columbia and some in the interior of the south in that situation also. There are a few areas in the mountain part of Alberta, one or two. There are a number of centres of population in northwestern Ontario, some north of

Lake Superior and some further west in the Rainy River district. In some cases there is some service but it is not satisfactory to a number of listeners. There are also places in French speaking areas which are still outside of the French language service; northern Quebec, southern and eastern Quebec; and there are some areas in the Maritimes and Newfoundland where the service is not good.

The cost of providing service in those areas would be high per head. In some cases it could be done by private stations and in other cases it would have to be done by, say, establishing our own regular stations or by a small unattended repeater transmitter which we have been able to use in some cases with success. But in any case the cost per person per home would be high. But the board of governors feel that we should provide service in these areas, and I think it is the duty of the corporation to do so. We want to do it but we simply have not had the finances to do it so far. The board has felt that in its fundamental financial position it could not take on these new commitments which involve continuing expenditures as well as the initial outlay, until it could see revenue which would enable it to carry on. In addition, there is the question of a second French network, which is obviously needed. There are two networks on the English side and there is need for a second alternative network on the French side, particularly in Quebec. The board has considered that very carefully, but found we do not have the funds necessary to start that second French network.

On the actions of the board in the last year, we could give you complete details of our recommendations if you wish. We have recommended the establishment of several new private stations, some increases in power in the last year or two. I think about the only change in the regulations has been one allowing more advertising with news programs. We suspended the regulations against price mentioning on the assurance of private stations that they would use price mentioning sparingly, and we have seen no reason to reimpose that restriction.

Mr. SMITH (*Calgary West*): It has scarcely been used at all. I cannot remember having heard it being used.

The WITNESS: Some stations use it, but we have no particular complaints about it.

The CHAIRMAN: I do not think you ever hear it out in the western part of Canada, Mr. Smith.

Mr. SMITH (*Calgary West*): There is where I speak of.

The WITNESS: Several weeks ago the board established a new regulation which prohibited the playing of bingo and things like that on the radio when people put up money to play.

I think the most important part of the annual report which you have in front of you is the foreword dealing with the general financial position of the system. I would just like to emphasize to the committee that the financial status of the whole system is a fundamental one. It is not a question of cutting costs or increasing revenues a little. It is a fundamental problem, arising from the fact that the system is working on the same revenue rate as it was eleven years ago and, as everyone knows, costs in the country have risen immensely since then.

By Mr. Smith (Calgary West):

Q. Why are you in that position?—A. We are in that position basically because the whole price structure in the country has risen, the cost of living, for instance, has risen 64 per cent.

Q. I mean, why can you not raise your revenue rates?—A. Because our basic revenue comes from the licence fee and it is not within our province to say what that should be.

Q. You are not speaking of advertising?—A. No, advertising is about 30 per cent of our revenues and we have the rates there about as high as we figure they can go.

By Mr. Diefenbaker:

Q. Have you raised your advertising rates in the last few years?—A. There have been some changes.

Q. Approximately what has been the rate of increase?—A. I want to check back on that. I would like to ask Dr. Frigon if he has in mind any rate changes made in the last year or two.

Dr. FRIGON: There have been but they have been very small, in Montreal and Toronto, on the basic rate of \$15; it is only a matter of \$5 or \$10 or \$15 per station.

The CHAIRMAN: Your question, Mr. Diefenbaker, was much too low to reach the reporter—that last question you asked.

Dr. FRIGON: We call basic rates the rates for one hour. That basic rate is subject to discount and so on but we all start by talking about a basic rate of one hour at night. That has been increased but not enough to mean anything in our revenue.

Mr. DIEFENBAKER: What percentage of increase would that be? You say \$15 is the basic rate. What, approximately, percentage would that be?

Dr. FRIGON: If you want to know the percentage of our revenues, I would say less than five per cent.

The WITNESS: There is much more involved, Mr. Diefenbaker, than the actual rate in one or two of our stations. We are selling national networks in Canada, and the cost of national networks as a whole has risen a great deal in the last year. As new stations have gone in, the cost of a network has gone up, too. There used to be one network in the country, now there are two. The basic audience is split, but the actual rate on the old Trans-Canada is still as high as it was, so the whole network costs have risen a lot in the last few years.

By Mr. Diefenbaker:

Q. I appreciate that. My question had to do with the rise in rates of advertising in order to meet the rising costs that you mentioned.—A. You would have to take into consideration a number of factors including alternate networks and all sorts of things. But all in all we feel that we are getting all the traffic will bear.

Mr. SMITH (*Calgary West*): The advertising, 15 per cent, has that been altered?

The WITNESS: No.

The CHAIRMAN: The actual rate, you mean?

Mr. SMITH: No, I mean the allowance to advertising agencies.

The WITNESS: No, that is the same.

Mr. KNIGHT: You just mentioned that you are getting all the traffic would bear. You mean you are already charging competitive rates and it would not pay you to approach a point of diminishing returns?

The WITNESS: Naturally it becomes a matter of commercial judgment, and there can be differences of opinion about that, but our people try to work out rates under which good sponsors will go on the networks. If rates are too high, people will go into some other form of advertising.

Dr. FRIGON: In one of the critical centres of Canada, from the advertising point of view, we were requested by a station to raise our rates. They thought

we were too low. We raised our rates by some 15 per cent—that is well over a year ago—and they have not touched theirs as yet.

The CHAIRMAN: They have not had—

Dr. FRIGON: They have not changed their rates yet.

Mr. SMITH (*Calgary West*): Well, you are not in competition with them. Your advertising is on a national basis, is it not?

Dr. FRIGON: Oh, yes.

Mr. SMITH (*Calgary West*): So there is no competition element there at all.

The CHAIRMAN: Mr. Smith, I thought the point was this, that they suggested we should raise our rates because they felt they had to raise their own; we did that and when they came to take another look they felt that they could not raise theirs.

Mr. SMITH (*Calgary West*): I see, but there was no injury to the national system, it is a gain to the national system.

The CHAIRMAN: I felt that what Dr. Frigon had in mind was that this rather fortifies the opinion that you cannot go much higher. It was an indication of that.

By Mr. Gauthier (Sudbury):

Q. I notice from your brief on revenues and licence fees and other revenues that you show a percentage increase from 1948-49. What percentage increase of revenue have you had from 1947-48, for instance, in licence fees and other revenues?—A. From 1947-48?

Q. Yes, you have a comparison here with 1948-49.—A. \$5,135,000 in licence fees.

Q. What percentage of increase did you have there above 1947-48? What was the previous year?—A. \$4,798,000.

The CHAIRMAN: That is the increase?

The WITNESS: No, that was the total the year before.

By Mr. Gauthier (Sudbury):

Q. What was the total of other revenues and licence fees together?—A. \$6,736,000.

Q. About 8 per cent, about 9 per cent of increase?—A. Yes, just about.

Could I, perhaps, develop, Mr. Chairman, this a little more?

The CHAIRMAN: Yes. From time to time members will feel that it will be desirable to interject a question like this without prejudice, of course, to coming back to it more comprehensively later on, but I fancy that questions will be kept down to what has been the case so far this morning.

The WITNESS: I was saying that the fundamental situation rises from the fact that the main source of revenue, the licence fee, has remained the same while the cost of carrying on has gone up. I think I might refer to what Mr. Gauthier has in mind. The main pressure has come from a general increase in the price level and costs in the country. Our cost rates for doing the same thing, have gone up over 100 per cent in the last ten years, probably more than that, and they are going to continue increasing above that. But in addition to that, other pressures have been going on as well; the standards of broadcasting have been going up. That is a hard thing to put in figures, but in general terms you cannot get away with the same level of programming now that you could do in 1937 and 1938. People expect far better talent, better writing, better general performance, and that means an additional extra cost on top of the extra costs arising from the increase in the cost of living and in prices.

Then the corporation in developing its service has had to add new services. In the early years of the corporation, for example, we did not have a news service of our own, but the news we got was supplied free. Now, we have to pay a large sum of money for it and in addition we have to have a large staff to handle it. We did not have a farm broadcast department before; that was an important item that had to be developed. There are a number of services of that type which have actually been developed through the years but which all added to the cost of the service; so it is not only the increasing price level, it is also the increasing of service.

There has been too, a development of facilities,—networks and network extensions,—building up the coverage of the system to the overall coverage which was always envisaged by parliament. We are still quite far from doing that completely, but every increase either through our own or other stations adds additional costs and more costs will come as we try to fill the remaining gaps on the coverage.

By Mr. Smith (Calgary West):

Q. You would surely regard those expenditures as capital expenditures?—A. In the case of our own stations, yes.

Q. You are not including in operating expenses the cost of building a new station?—A. No, but we have to meet it.

Q. In other words you have to find the money.—A. You must remember we are a curious organization. All our capital assets have been built out of revenue, and now the higher cost of facilities will reflect in our financial situation in the future. I cannot think of any other organization which has built up assets out of revenues.

Q. No, the government would take them in taxes from other corporations.—A. I do not know about taxes, but if they lend us money they want it all back and they want us to pay a good interest rate on it in the meantime.

Of course, as you look back over our financial statement, you will see that our revenue increases year by year from licence fees, and we have more commercial revenues. The total figures increase but at the same time our commitments and the demand on the service has increased. I would say that if the price level had not changed in the last ten years, the increase in the number of licence fees and in commercial revenue would have just about taken care of the development of the service; but instead of that we have had the two tendencies going on, the demand for greater development and at the same time rising costs, so that we are literally caught in a vise.

In this situation two things are possible: the main revenue basis of the corporation has to change very considerably; or else we will have to cut services in the country drastically. And it will not be a matter of some small economies; it will be cutting out programs, firing staff, and cutting out services in some parts of the country.

By Mr. Diefenbaker:

Q. You mentioned some time ago that if the advertising costs were raised the law of diminishing returns might commence to operate. I think that was in answer to a question by Mr. Knight. You now state that you need some greater sources of revenue in order to meet your concept of the future developments of the C.B.C., and you suggested in your brief to the Massey Commission an increase in the licence fee to \$5. Have you worked out in your own mind, or have you had statisticians work it out, the degree to which the number of licences would be reduced if there was an increase to double the amount of the licence fee?—A. No, we have not worked on it or had it worked out. I think there would be a certain amount of psychology involved in that.

Q. I was just wondering. You spoke about the law of diminishing returns in respect of advertising. I wonder if the same law would not operate if your recommendation to double the licence fees were accepted.—A. I do not know.

By Mr. Henry:

Q. I wonder if you have any way of determining the number of radio sets in Ontario as opposed to the number of sets for which licences have been bought?—A. The collection of licences comes under the Department of Transport. They have figures, of course, on the numbers of licences collected. You might wish to speak to them about what percentage they figure they are collecting. We have no figures on that.

Q. You have never given any thought to that matter; as to the number of sets there may be?—A. We have given thought to it but it is not our business. We have plenty of worries of our own.

By Mr. Riley:

Q. Has any consideration been given to the scale of licence fees depending on the location? I have in mind the audience that would be in an institution, where the listening audience would be, say, 200 to 250 people. Could any higher licence fee be charged in a case like that?—A. I am not sure what the situation is with regard to institutions. We did suggest that a few months ago and the Department of Transport looked into this question of one licence for a large building, say a hotel, but I think they found legal difficulties in going ahead with it. I suggest you ask the Department of Transport about that, because the collection of licences is not in our field.

By Mr. Smith:

Q. You have no idea about that five million, you have no idea yourself, I suppose? You use Elliott-Haynes Reports?—A. We look at them.

Q. You are unable at the moment, and perhaps properly so, to tell us, and you refer us to the Department of Transport to tell us how many licensed radios that \$5 million represents, and probably we could also look to them to tell us how many radios are in use which have not paid licence fees. I think that is a very important point.—A. Yes, I think you should ask them. I think they will have difficulty though in estimating how many are not licensed.

Q. I am merely clearing that up so we will know what to ask them. You do not know. You feel that that is not in your part of the business?—A. Yes.

Q. That is everything I wanted to know.

By Mr. Richard:

Q. I suppose it is not the policy of the Canadian Broadcasting Corporation to increase the hours of commercial broadcasting in order to get more income?—A. We thought a good deal about that, but our networks, in general, carry about as much commercial broadcasting as they can if we are to give a good balanced service. We feel, in fact, there is too much rigidity in commercial networks. If we are going to give different listeners what they want in a fair proportion the only way to get more commercial revenue would be to go into the lucrative side of radio that is the local business and spot announcements and that sort of thing. We will then be in competition with the private stations.

By Mr. Riley:

Q. How do the rates charged by the Canadian Broadcasting Corporation compare with the rates charged by the American systems, having regard to the listening audience?—A. I think, pretty well. It is not easy to compare rates of broadcasting stations because you have to consider what the rate is for. It is

not just for a 5 or 50 kilowatt station but for the people who are listening to it. The general commercial value of the station represents all sorts of factors which come into it. From studies made we say that our rates compare in height very well with any American system.

I would like to emphasize to the committee again that, even if we do not add any service or new facility or any improvements above those we have now or are committed to, with the pressure from the delayed action of increased cost rates, we will be running into a heavy deficit and the only possibility, unless the revenue basis is changed, is to cut services. That is quite apart from any development or improvement. Simply to keep the system going as it is going now needs quite a major change in the revenue basis. To add improvements which are not extensions of the service, but filling any gaps, evening out inequalities across the country, raising standards of service to different parts of the country or to different groups as they are needed would need a further modification in the revenue system.

By Mr. Diefenbaker:

Q. What in your estimation is the deficit going to be in the coming year, provided that income remains much the same as it is at the present time?—A. It looks as though we are heading this year for a deficit of about \$900,000.

Mr. SMITH (*Calgary West*): In other words, the difficulty is you are short of working capital.

The WITNESS: No, our chief difficulty is that our revenue rates have no relation to the costs. The \$2.50 fee was about right in 1937. Since then costs have doubled. So \$5 would be about right. I must say again, however, that the setting of licence fees is not our business.

Mr. DIEFENBAKER: You mentioned something about psychology in connection with that. I think there would be a terrific howl in the country over it.

The WITNESS: Setting of the licence fee is not our business. What I say is that we cannot continue to provide the present services to the public unless there is some relation between revenues and the increase in costs. It is up to other people to say what should happen, whether our revenue rates go up or how it is to be provided. If you want increased services, then there has to be some way of providing revenues to meet those things.

By the Chairman:

Q. Would it be fairer to put it this way: on some few years back you could get along on that \$2.50 licence fee and other revenue but that you need now an aggregate amount equivalent to that \$5 licence fee, if all other things remained equal?—A. Yes.

Q. You do not advocate a \$5 licence fee but you want the aggregate that the \$5 licence fee would bring in, other things remaining equal?—A. That is what we said in our brief. We tried to illustrate the position we are in. We said on the present basis a \$5 fee would do it. I think a broadcasting system such as this should have some basis of revenue to work on, and then it is up to the people operating it on behalf of the public to do the best job they can with the funds, to balance the various needs across the country, and not to be trying to decide each year how much money should be allocated because after all you can spend just about any amount of money on broadcasting and the people will always want more. It would be common sense to decide how much the public want to spend on their radio system and then try to do a job the best possible over the years with those funds.

By Mr. Diefenbaker:

Q. Was not your recommendation to the Massey Commission that a \$5 fee is necessary? Your brief reads: "The present licence fee is insufficient to permit

the national system adequately to carry out the task laid down for it of serving listeners and the national interest." That is what you recommended?—A. Yes.

Q. You actually recommended an increase?—A. It is a question of wording.

Q. It certainly is.

The CHAIRMAN: I have not read your brief, but at the time that it came out you were advocating a \$5 licence fee. I felt you were climbing pretty far out on a limb and that is why I asked you a few minutes ago if you were interested in the aggregate amount rather than in the \$5 itself.

By Mr. Knight:

Q. I think, Mr. Chairman, that there were a few recommendations that the licence fee be raised to \$5.—A. It is in our brief, it is the last sentence in Part III of our brief. It reads as follows:

"To enable the National Broadcasting System adequately to serve Canadian listeners and the interests of the nation, a licence fee of \$5 is required."

That is after we had gone over the whole thing.

Q. I presume that Mr. Dunton had been giving the main source of revenue as licence fees and he would naturally turn to that source for his increase. I do not think that is the way it is to be done.

The CHAIRMAN: I do not suppose you care how it is done as long as you get it.

The WITNESS: The board of governors feels that we do not want to look as though we are going beyond our field. We have certain duties under the Broadcasting Act and the setting of the licence fee or of any other method of revenue is not for us to decide. Our job is to try to use that money to advantage. I think the committee will agree that whatever the revenue system is to be that it should be based on some standard; that is that it should be set on some basis for a number of years, and then it is up to the corporation to do the best that it can. That would make for efficiency and economical operations. And also that there be no year-to-year control of revenue by the executive government so there could not be any question of partisan influence on the operation of the national system.

The CHAIRMAN: Mr. Diefenbaker, may I recall to you that it is agreeable, I am quite sure, to release Mr. Dunton at 12:30, and if there are general remarks he has to make, he might make then and we will have, in any case, a printed copy of the evidence before he comes back.

Mr. DIEFENBAKER: May I ask just one question?

The CHAIRMAN: Certainly.

Mr. DIEFENBAKER: On page 18 of the representations made to the Massey Commission you said:

The present licence fee is insufficient to permit the national system adequately to carry out the task laid down for it of serving listeners and the national interest.

Then on page 19, apparently in support of your view that there should be an increase in the licence fee you state that:

Yet with basic costs so high Canada has tried to get along with a listener licence fee of only \$2.50.

Then you add:

In Britain, where the broadcasting problem is so much more simple, listeners pay £1. In Australia the licence fee is £1.

And further on, you say:

In South Africa the licence fee rates average s28 and in New Zealand s25.

My question now in this. Under these various systems Britain, Australia, South Africa and New Zealand, is there advertising revenue as well?—A. There is not in the case of Britain or Australia. South Africa has just started a commercial setup.

Q. What about New Zealand?—A. New Zealand has also a commercial side to its operations.

Q. And has it had over the years?—A. Yes.

Q. And South Africa has not had it till the present time?—A. That is right.

I would like to add that the basic cost of running a broadcasting system in Britain is far cheaper than in Canada. And also in Australia. They have only one language to start with. In Canada we have to operate in two languages which at the beginning is a big extra basic cost.

By Mr. Smith (Calgary West):

Q. May I also ask this? The situation is this, is it not, that you have either to get more revenue by increasing your basic revenue which is based on a licence fee, or you have to get money from the only other source I know of, and that is money voted by the parliament of Canada?—A. Yes, public money in some form.

Q. Do you know of any other form?—A. Voted or under some law.

Q. Supplied by, let us put it that way, whether it is voted or not?—A. Yes; I do know of other ways.

Q. I do not know either.

The CHAIRMAN: Continue, Mr. Dunton. Would raising the wind cover it?

Mr. SMITH (*Calgary West*): I think it is "Gone with the Wind".

The WITNESS: As the committee knows, the corporation carries on the international broadcasting service. In this it acts as an agent for the government. Money is voted for that specifically by parliament. There is no great change to report in that service in the last year. The service has been improved somewhat. The response is continuing to increase and it is now receiving 5,000 letters a month from listeners in various areas.

By Mr. Diefenbaker:

Q. Do you get any letters from the U.S.S.R.?—A. We have not had any.

Q. Do you get any from behind the iron curtain?—A. I think the service to Czechoslovakia alone justifies the money spent on that. Before the coup in Czechoslovakia we had built up a solid group of listeners in that country and even after the coup a lot of mail was received. It has dwindled since then, but nevertheless we are still getting quite a few people taking the trouble to have letters smuggled out addressed to us and they say, keep on this work. That is important.

Q. There is a constituent of mine who said he escaped recently from behind the iron curtain and he says the C.B.C. foreign service is a worthy one, it was doing a great deal of good and was bringing the message of democracy into Czechoslovakia.

Mr. KNIGHT: Would you mind stating in that connection the two main advantages which you say accrue to Canada as a result of the expenditure of that money in an international service? I suppose one of them is—

The CHAIRMAN: Just a moment. May I interrupt you, Mr. Knight, to ask a question privately of Mr. Dunton. It will just take a second.

Mr. Knight, the reason for my breaking in on you was this. I was bearing in mind the hour of 12.30 and I was asking Mr. Dunton privately if by answering questions would he be able to continue answering those and still get through with his statement. He says he is rather pressed for time, so I am asking you if you would defer your questioning.

By Mr. Gauthier (Portneuf):

Q. I have just one more question to ask. I want to know if the red dean is to be allowed the use of C.B.C. facilities?—A. I do not think the question is likely to arise.

Q. It will not?—A. Nobody will ask for him. I do not think we would have the time anyway.

The CHAIRMAN: Continue, Mr. Dunton.

The WITNESS: In the last two or three years, the corporation has devoted a good deal of study and consideration to the new form of broadcasting, which is television. We have for the committee, and I think you would probably wish them filed, copies of statements by the Board relating to television. We have also for the convenience of the committee, although it is not our document, a copy of the statement of interim policy on television by the government. I thought as a matter of convenience you would like to have that.

Mr. SMITH (*Calgary West*): I would certainly like that.

The WITNESS: I should like, Mr. Chairman, to just outline some of the considerations relating to television as we see them as a result of fairly intensive study of this new medium.

In the first place we are firmly convinced that television is going to be immensely important for Canada and its importance is going to grow. Anyone can judge that when he sees the influence of a television set in any home where they have one now and it can now operate. I think we all agree that sound broadcasting has a pretty strong effect on people's minds as it is. But in television, you add sight to that sound and that multiplies the effectiveness immensely. I do not think anyone needs to be convinced that there is nothing which can make a much stronger impact on the minds of people than vision, motion with that vision, and sound going with that motion. Moving pictures are a strong means of making impressions; television is going to be more important because it comes into the home night after night, bringing those images into the homes of people. The pull and the power of television is demonstrated by the way it fascinates children and younger people. I think that it is indicative when you see children sitting hour after hour watching what happens on that moving screen and listening to it. Television is going to play a big part in the way that child's mind develops.

We are quite convinced that television is going to be a strong social force; that is a social force for good, or for the opposite of good. It can help to broaden people's minds, or to narrow them. It can bring new understanding and new knowledge to people, or it can simply lull people's minds in old ways and old cliches.

It is a great advertising medium, but I think you will agree that it should be a great deal more than an electronic billboard, because of its immense potentialities. It is not just a new show device awaiting promotion. It is a good deal more than a question of just selling household appliances like other electric household appliances. Television is perhaps the most vivid means of mass communication that man has ever devised. It can be a great educational force. It can affect the lives of people greatly. But its effect is going to depend upon what actually goes on that screen; and what is on the screen in Canada is going to depend on how television is developed in Canada. And, as the whole history of sound broadcasting shows, its development can only be related to Canadian conditions and Canadian needs.

The basic conditions in Canada that affect broadcasting, whether visual or sound, are well-known ones; fairly small population, big distances, large areas, two languages, and perhaps, the most important of all, is the fact we live right next door to the richest and, in this field, the most vigorous country in the world. There is easy natural communication between different parts of Canada and the United States, and the development in the United States of broadcasting and television has an immense force.

We believe that, if television were developed in Canada purely on a commercial basis, inevitably Canadian television channels will become primarily outlets for American material. That has nothing to do with the intentions of people who might be operating the stations, or their good Canadianism; it would simply be the result of economic pressure and the way commercial arithmetic works. You remember that when sound broadcasting developed in Canada in the twenties, it was found that the natural tendency was for stations to become connected in some ways with the American system to the south, or to use American material in some way, but not so much to develop material on their own or to form connections across Canada. And it is perfectly natural. A Private operator would have a very expensive job, of programming a television station. They want appeal programs, and it is somewhat easier to get the use of an appealing program in the United States than to develop a program of perhaps seemingly nearly equal appeal in Canada. In the United States the cost is spread over a huge market. In Canada, at the best, the cost can be spread over a relatively small market. So there is that inevitable pressure to bring in the programs from outside the country. That does not mean that under straight uncoordinated commercial operation there would not be some local programming. Undoubtedly there would be, but it means the main structure of the program would come from outside Canada—certainly most of the creative work would, because it would simply be cheaper to get the pulling programs from outside the country. The cost of running a station would be high, and it would be cheaper to get many programs from the United States than to get them in Canada and to distribute them across Canada.

I think it is obvious that the main difference would be between a television system in Canada that is basically American with some Canadian material on it, and a system that is basically Canadian serving Canadian needs but, of course, carrying some American material with it, but primarily a Canadian structure linking Canada together. It seems to us that that is an extremely important decision to make. Undoubtedly Canada will always want quite a good measure of material from outside the country but if we want a system that is in essence Canadian, built up on a basis of Canadian programming with connections across the country, then it is evident the country has to pay more for it. It would be cheaper for television to develop in Canada chiefly as extensions of United States systems. It is much more expensive to develop a system which is primarily Canadian and links together different parts of Canada. It will be for parliament to decide which system, which concept is to hold in Canada with television. We on the board of governors feel that the whole concept of the Canadian Broadcasting Corporation Act is one that should go forward in Canada and that, under this, television can become of great service to the nation in bringing new richness into Canadian homes, giving Canadian talent and ideas a new chance for expression, and helping to develop our national life and linking the country in a new way altogether.

The responsibility of the board only goes so far. A number of basic decisions have to be made by government and parliament, presumably with the assistance of this committee and the Royal Commission which has been studying this question. Some steps, as you know, have already been taken. The government announced a policy just a year ago giving authorization for the national

system to go ahead. Under this authorization we are proceeding now with the establishment of production centres in Montreal and Toronto. They will have transmitters associated with them, but they are primarily production centres from which programs could go to stations to be established in other areas in Canada. They could go first by means of kinescope recordings and later on by means of direct wire line connections. Under this interim policy, a first basis is being established in the development of a nationwide system. As you know, the policy statement says that the government is willing or will be prepared to consider licensing single private stations in other areas. Those stations would presumably be connected with the national system in that they would be supplied with a program by the national system and in turn would be expected to carry a measure of this national programming. It was suggested in that policy that because of the high cost of television that in any one area various interests concerned with television might wish to get together to develop a really good television operation. That is how the situation very briefly stands at present. We presume that a national plan may be further developed or perhaps modified following the report of the royal commission. In the meantime we are going ahead with the basis for the beginning of a system which will provide for at least a measure of Canadian development, we hope, with some importation from other countries. It is the beginning of a healthy system that can stretch east and west and connect different parts of Canada.

By Mr. Smith:

Q. Why Toronto and Montreal? Is that purely a question of market?—

A. We would not call it market, but there, for the least money, you can reach the greatest number of people. It seems the logical way to start and, of course, they are the greatest centres of talent.

Q. Did you hear the final on Singing Stars of Tomorrow?—A. Yes.

Q. I think that is the greatest thing that will advertise Canadian talent that I have ever known.—A. It is a very fine program indeed.

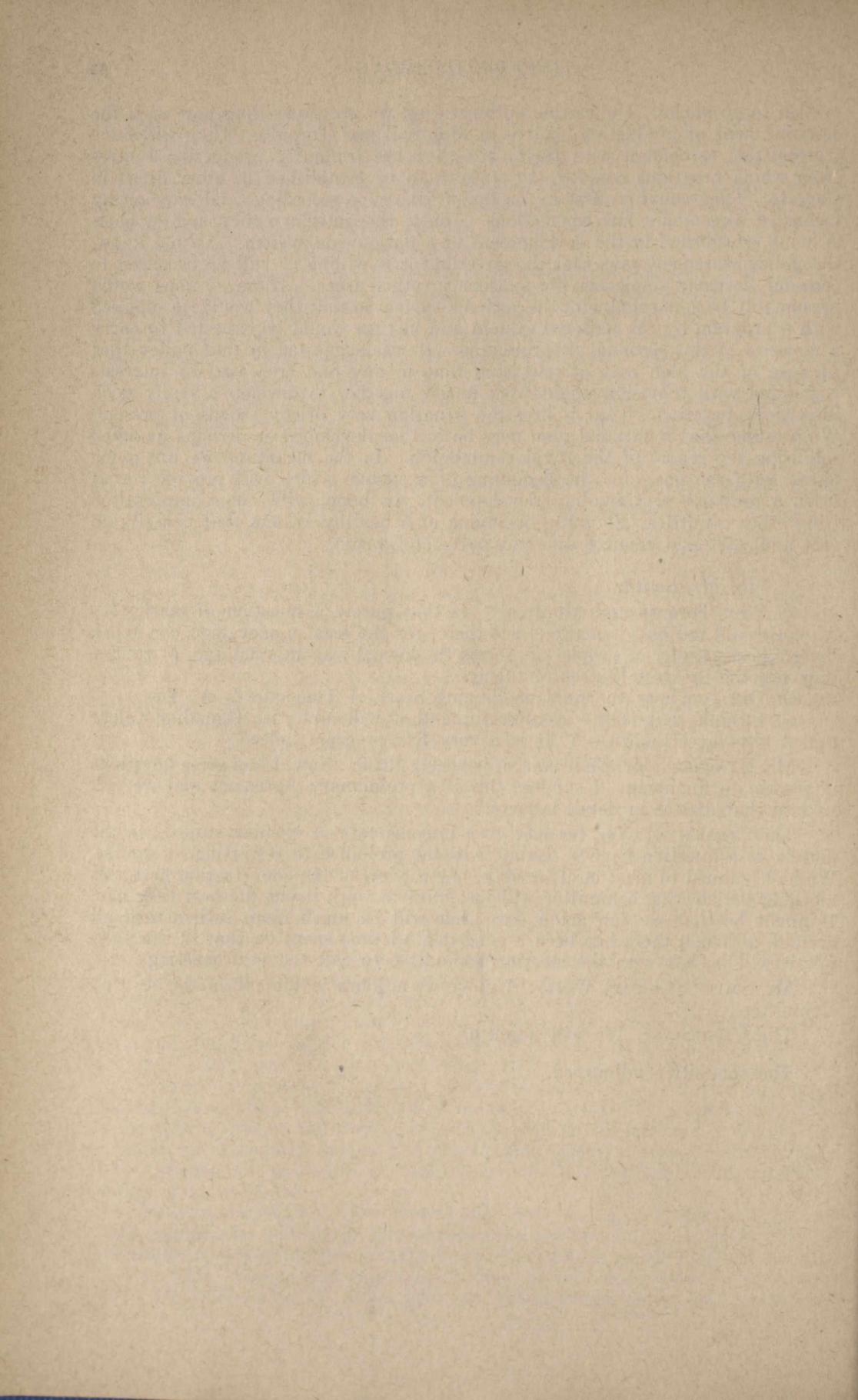
Mr. HANSELL: Mr. Chairman, it is nearly 12.30. Now, I had some questions in respect to financing. I suppose this is a preliminary statement and we will go into that matter in detail later on?

The CHAIRMAN: Yes, because even in some cases a member stopped in the middle of a question he was asking, without prejudice to restarting, of course. We had planned to meet on Thursday, but in view of the conversation here this morning the steering committee will just have to work it out the best they can. It might be that we can get a date that will be much more satisfactory all around, although there has been a good deal of time spent on that in the past, but it will be left with the steering committee to call the next meeting.

Mr. SMITH (Calgary West): I move we adjourn at the call of the steering committee.

The CHAIRMAN: We will adjourn.

The committee adjourned.



15
SESSION 1950

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, MAY 25, 1950

WITNESS:

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

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

SPECIAL COMMITTEE
on
RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspé*), Esq.

Messrs.

Boisvert	Gauthier (<i>Sudbury</i>)	Robinson
Balcer	Hansell	Riley
Côté (<i>St. Jean-Iberville- Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary</i>)
Diefenbaker	Kirk (<i>Antigonish-Guys- borough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE.

ORDER OF REFERENCE

THURSDAY, May 25, 1950.

Ordered,—That Votes Nos. 267 and 268 of the Main Estimates 1950-51 be withdrawn from the Committee of Supply, and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Attest.

Léon J. Raymond,
Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, May 25, 1950.

The Special Committee on Radio Broadcasting met at 4 o'clock. Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Balcer, Boisvert, Decore, Diefenbaker, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Knight, Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Robinson, Smith (*Calgary West*), (17).

In attendance:

From the CBC: Messrs. A. D. Dunton, Chairman; E. L. Bushnell, Director General of Programs; Gordon Olive, Director-General of Engineering; E. A. Weir, Commercial Manager; J. A. Ouimet, Chief Engineer; George Young, Director, Station Relations; Hugh Palmer, Secretary, Board of Governors; R. C. Fraser, Director, Press and Information; G. W. Richardson, Executive Assistant; S. Schnebb, Assistant to the Treasurer.

From the Transport Department: Messrs. G. C. W. Browne and W. A. Caton.

After a discussion on procedure, Mr. Dunton was called and questioned on finances.

He tabled copies of a tentative balance sheet to March 31, 1950 for distribution. This document was taken as read and will be incorporated in the record.

The witness undertook to supply mimeographed statements on

1. The causes of C.B.C. anticipated deficit;
2. Advertising costs of programs.

He was also asked to lay before the Committee a breakdown of expenditures, including figures on loans.

Mr. Hansell presided in the temporary absence of the chairman.

The Committee decided to hold a meeting on Friday morning at 10.00 a.m.

The Committee adjourned at 6 o'clock until 8 o'clock this day.

EVENING SITTING

The Committee resumed at 8.20 o'clock in the evening. Mr. Maybank, Chairman, presided.

Present: Messrs. Boisvert, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Knight, Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Smith (*Calgary West*), Stewart (*Winnipeg North*), Winters. (14).

In attendance: Same as at afternoon meeting.

Mr. Dunton was called and further examined on the financial operations of the Corporation.

Mr. Richard presided in the momentary absence of the Chairman.

The witness was asked to table additional information in the form of summaries on expenditures.

Referring to the flood disaster in Winnipeg, the Chairman paid tribute to the efficient service of broadcasting stations. He asked Mr. Dunton for a statement from private stations concerned on the service each performed.

It was agreed to devote Friday morning's meeting to television.

The Chairman called the attention of the Committee to the fact that Items 267 and 268 of the Main Estimates—International Shortwave Broadcasting Station—were referred to the Committee.

At 10.05, the Committee adjourned until Friday morning, May 26, at 10.00 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

HOUSE OF COMMONS,

THURSDAY, May 25, 1950.

The Special Committee on Radio Broadcasting met this day at 4 p.m. The Chairman, Mr. Ralph Maybank, presided.

The CHAIRMAN: I see a quorum, gentlemen. You remember that when we adjourned at our last meeting about ten days or two weeks ago, Mr. Dunton had just completed a statement and had also filed with us the statement which he had made to the Massey Commission. It was my impression that we would take up next after that any questions that members wish to ask of Mr. Dunton; or—I will put it this way—ask of the C.B.C., because I have no doubt that questions will be answered by somebody else than the person whom one might first of all suggest. As a matter of fact, I think the first step might be to have Mr. Smith take up where he left off with his questioning the last day we stopped.

Mr. SMITH (*Calgary West*): I don't quite know what we are doing. It seems to me unfair to the officials of the C.B.C. to have two bodies pursuing actually a parallel role; one, the Massey Commission, and then coming here before this committee. It seems to me that the Massey Commission is making practically the same inquiries that we are, and I do not know how we are going to accomplish much by each of us doing the same thing.

The CHAIRMAN: Your reference there is to Mr. Dunton being examined by the members of the Massey Commission?

Mr. SMITH (*Calgary West*): Yes.

The CHAIRMAN: I don't want it understood that in this committee we are simply duplicating the work done by the Massey Commission, and I do not think that Mr. Dunton wanted to give views already expressed in another place; rather it was felt that this further information would be useful to us. Of course, I have no doubt that his statements or perhaps the form of some of the questions would be essentially the same when we are trying to get the same picture. It was not my understanding that we would go over the same ground as that covered by the Massey Commission and perform the same operation that the Massey Commission had already performed. I think you are quite right.

Mr. SMITH (*Calgary West*): I might say, Mr. Chairman, that I have not discussed this matter with any of the other members of the committee but it does strike me that perhaps we have got a parallel in the Canadian National Railways, and that perhaps our committee might think it advisable to direct itself to a discussion of accounts. This committee brings in recommendations with respect to managing policy, I take it that is what we are here for, that that is part of our assignment, and then the Massey Commission does its work and makes certain recommendations which they have been asked to make and they have Mr. Dunton's brief before them, and it is certainly a large one. I wonder if we are not in a bit of difficulty there? That is only my own personal view. I have not discussed even this matter with the fellow members of my party. I do not know where we are going, frankly, I haven't the least idea.

The CHAIRMAN: Speaking also only for myself, it has been my idea that in view of the fact that the Massey Commission is operating that the work of this committee—

Mr. SMITH (*Calgary West*): The matter would be sub judice?

The CHAIRMAN: I wasn't going to use that term. I had not fixed it in legal terms. But I do feel that the work of this committee is very considerably curtailed by the fact that the commission is in operation. Speaking for myself, I felt that we might perhaps take a look at the financial picture as submitted by Mr. Dunton, with an examination of the accounts. That is one matter that is certainly always raised. I really do not see much else for us to do. That is my personal view only.

Mr. MURRAY: There is this whole broad question of culture, of foreign broadcasts, of news broadcasting, and so on; that is all part of the reference to the radio commission. It affects every home in the country, and I think we might forget about the Massey Commission as far as this committee is concerned. Let us leave that field to them and let us investigate the practical side of this very important matter.

Mr. FLEMING: May I first of all, Mr. Chairman, ask whether you have had any requests from any organizations to be heard?

The CHAIRMAN: No.

Mr. FLEMING: I would just like to make these observations on the point raised by Mr. Smith. I do not think it is a question of something being sub judice, because that really does not apply in so far as the Massey Commission is concerned. I remember that I raised the issue at the time in the House and I was assured by the Prime Minister that the fact that the Massey Commission was sitting would not in any way interfere with the work of the Special Committee on Radio Broadcasting. Now, with regard to the work of this committee, there are some general questions which I think might be taken up. We have some new members on the committee who may wish to ask some questions on the whole basis of the control and operation of radio broadcasting in Canada and the general background. For those who have sat on the committee before, that probably would not be necessary. In any event, as the Massey Commission is reviewing the whole question of the basis of control of broadcasting in Canada, like Mr. Smith I cannot see much purpose in our going through that field. There is a lot of ground to be covered even if you leave that out. There is the whole question of the policy of the C.B.C. and the whole question of the matter of finance; then, too, there is the question of television—and just because that feature of the work of the Broadcasting Commission is also before the Massey Commission I do not think we ought to exclude television from our inquiry here. But subject to the rights of the members of the committee who may want information on the subject of the background of the controls of radio broadcasting in Canada, the whole basis of our system, I think, with that qualification we can very well in general confine our inquiry here to operation policy and financial questions in relation to the C.B.C. itself. I think we could do much useful work in that direction.

The CHAIRMAN: Mr. Hansell:

Mr. HANSELL: Mr. Chairman, I have been wondering in my own mind what our position would be, or what the government position would be, if we should make a recommendation that was contrary to any recommendation which might be made by the Massey Commission. Together with that observation might I state that I have always been in favour of a parliamentary committee sitting regularly every year on radio, a standing committee. What would be the effect of our moving that we defer the work of this committee until after the Massey Commission has reported?

The CHAIRMAN: Well, I presume that would be a little bit like giving the six-month hoist to a bill because the Massey Commission will not be reporting by the time we will have adjourned.

Mr. HANSELL: That perhaps leads to another thought. I do not know if you could answer this: am I right in the conclusion that perhaps the need of

this committee at the present time is that the Canadian Broadcasting Corporation are in need of funds, and that perhaps the only practical results of our work would arise out of a financial analysis which might lead them to except some recommendation in regard to that matter as a result of the work of this committee?

The CHAIRMAN: There is no doubt about the premise at any rate; they certainly cry out, and they are in need of funds.

Mr. HANSELL: I do not want to give the work of the committee a six months hoist but at the same time I do visualize that we might conflict in recommendations.

Mr. SMITH (*Calgary West*): I am not pressing this, Mr. Chairman. I just mentioned it for discussion.

The CHAIRMAN: I know. It is quite well that this sort of discussion should occur. What would you say to this: At the last meeting we certainly did stop at the time when certain people had an idea of some questions they wanted to ask; now, would it not, perhaps, serve to clarify things if we just proceeded to ask questions of Mr. Dunton, which no doubt will come as a result of what he has told us in the brief he laid before us. I think we will all bear in mind that we cannot sensibly do any clashing with the commission already set up and looking into this subject. I feel sure everybody has that point of view. Would it be agreeable, that we just start in now to ask questions arising out of the material so far in front of us?

Mr. FLEMING: I wonder how we might contribute to an orderly systematic questioning. Mr. Dunton, in his statement two weeks ago, covered quite a number of points, and if we stray all over in our questioning we may not be as orderly as if we take up one subject at a time. For instance he touched on such questions as finances, programming, television, news service, and he spoke about the wave lengths in connection with television; I do not know whether he said anything about wave lengths apart from television, although there may be some information we want on that. What do you think of that, Mr. Chairman?

Mr. MURRAY: Before we go to television I would like to know if ways and means are being worked out for expanding radio to the scattered places on the frontier, in the Peace River country, and in the Cariboo, where at present settlers are moving in. They are far removed from towns. They are entitled to have good radio service. In fact, it is more important to them than it is to the city people. I am sure that they are getting a very good service, but there are new areas in remote districts which are not so well served as they might be, and I wonder if some of the officials could not discuss that for a moment. These settlers want market reviews, they want news of crops, of the weather. The radio is a very essential medium to them; it has changed the whole frontier. It has changed the whole picture. It has made it very much easier for people to live far removed from the city. Even an extra cost of getting radio services to these people, I think it would be in the national interest that every care would be taken to attend to the needs of the farflung places; in the Yukon, in the Cariboo, in the Peace River country and in the Skeena country. Take a place like McBride on the Canadian National Railways, a very beautiful town, where the reception is very spotty, probably due to the geology of the country, the mountains or something or other.

The CHAIRMAN: Following the suggestion Mr. Fleming made, I recommend to the committee and ask you if you will accept this; that we undertake to question officials on the financial aspect of the Canadian broadcasting matters; and I think you will find that extension of service is tied up with that too.

Mr. MURRAY: To some extent.

The CHAIRMAN: Who will start this cross-examination with respect to the financial side and the financial needs based on the financial report?

One of you was interrupted at the end of the last meeting, it seems to me, and I turned to him and said: would you mind waiting until the next meeting? I do not know which one it was.

Mr. HANSELL: Well, I had some questions to ask in respect to the financial aspects but I do not know at the moment whether this would be the right time to ask them. I fancy that perhaps we will gradually move into a discussion where some detailed questions might be asked.

The situation as I see it is this: If I were in business running a \$5 million corporation and I were not making a profit, but going in the red, it would not make any difference whether it happened to be a \$5 million corporation, like the C.B.C., or a \$5 peanut stand; if I were going in the red I would have to do one of two things: I would either have to cut my expenditures or devise some way or other of making more money, otherwise, I would go broke. However, there is one exception: The C.B.C have been given a job to do such as look after the cultural aspects of radio from which they may not get much revenue. On the other hand, they are in the commercial field and besides being in the commercial field are in receipt of, in round figures, \$5 million a year, you might say as a gift. Now, it does appear to me that the conclusion should be that the only way to meet their situation is to attempt to cut expenditures. Now, with that introduction—

Mr. MURRAY: Mr. Chairman, does not the honourable gentleman think it would be very much like a church? You would not close a church just because it was going in the red. And this great radio system is religious, in a sense; it is many sided.

The CHAIRMAN: I must say as I look at the officials here that I think it is religious all right.

Mr. MURRAY: We hear great sermons over the radio, great lectures; we receive inspiration and hear great literary masterpieces.

The CHAIRMAN: I think, Mr. Murray, that Mr. Hansell said—

Mr. MURRAY: It is not like running a peanut stand.

The CHAIRMAN: Mr. Murray, I think Mr. Hansell said with that introduction he wished to ask a question. I think he still has the floor.

Mr. HANSELL: Mr. Murray, if I might say so, in my opinion a church that went into a commercial business and did not make ends meet, I would say it deserved to close its doors. As far as the \$5 peanut stand is concerned, the same principles of business would apply.

Now, has the C.B.C. actually figured out some concrete way, or have they some concrete figures as to exactly what would have to be cut in the way of expenditures to be able to balance their budget?

The CHAIRMAN: What about that, Mr. Dunton; how far can you go in answering that?

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

The WITNESS: I can start with this. We know for this year, on the basis of our present operations and meeting commitments long made, we will run in the red something in excess of \$900,000. That figure will obviously rise considerably next year and further in the years after, due to the continuing pressure of increasing costs. That is the first problem we have to meet and that is apart from meeting any of the other demands for service and improvement of service which we are getting from many parts of the country. The figure is \$900,000 for this year, which would rise very considerably the following year and more again in the year after.

The CHAIRMAN: That is the year that ends in March?

The WITNESS: March, 1951.

By Mr. Hansell:

Q. I think perhaps Mr. Dunton misunderstood my question. Has the C.B.C. figured out any particular service that would have to be cut to the tune of \$900,000?—A. We have not taken the step because we know as soon as we start to cut we will run into difficulties and very great objection. It would mean further reducing both program services, quality of programs and quantity of Canadian productions, and it would also cut out delivery of service—coverage—in some areas of the country. We would have to drop some specific program service. Perhaps the committee could help us. Should we cut out the farm department, news services, or what aspect of our services should we cut? We have not wanted to face a decision on what things we should cut. In some areas we would simply have to cut the wire line costs, which are very heavy.

By Mr. Fulton:

Q. May I ask this: do I understand that the increase in costs has resulted not from new commitments or undertakings but from the rising level of costs on existing services and commitments?—A. I tried to explain at the first meeting that the primary cause is increased costs from the whole rising price level in the past ten years, particularly the last few years. As that has gone on we have had to develop our facilities and coverage, so the squeeze comes from both these things at the same time. If there had been no increase in price levels we figure the increase in commercial fees and licence fees would have covered needs for greater services. But at the same time we have had a very sharp rise in our costs and that is the essential reason for the condition we are in.

By the Chairman:

Q. Your deficit for this year is what?—A. For the present year, ending March 31, it is \$900,000.

Q. In the book already published it is \$43,000?—A. And it will be \$900,000.

Mr. FULTON: There is a two-year gap there.

By the Chairman:

Q. Now, with reference to that gap, would you be able to detail what part of the \$900,000 is due to the costs Mr. Fulton questioned you about, and what is due to the other part?—A. I could not give you the figures at the moment. It would be very hard to separate the two, but much the greater proportion is from increased costs.

Q. Do you think it might be helpful if you were to draw up a short memorandum, which would only be an approximation, of course, giving the answer to the question? You could give an indication of how much of the deficit was caused by general inflation and how much by new services.

By Mr. Diefenbaker:

Q. How much by increased capital expenditures? Have you had any increased capital expenditures in the past year?—A. We have been making capital expenditures on projects decided on some time ago.

Q. Have you a record of those for last year and those anticipated for the year ahead?

The CHAIRMAN: That does not appear in this; capital expenditures come from an entirely different place.

Mr. DIEFENBAKER: I appreciate that, but nevertheless expenditures that arise out of annual operating expenses involving these projects would come into this.

By Mr. Fleming:

Q. Can you give us the deficit figure for the fiscal year ended March 31, 1950?—A. Yes, it is estimated, and it can only be an estimate so far, at about \$242,000 after depreciation.

The CHAIRMAN: The figures are \$43,000, \$242,000 and \$900,000.

By Mr. Fleming:

Q. You jump \$200,000 from 1949 to 1950, and you look for another jump of about \$650,000 in deficit in the current fiscal year?—A. Yes, that is right.

Q. Are your costs going up so much more rapidly this year?—A. We think they will and also our revenues will not rise as fast as they have in the past year.

Q. I take it from your reply to Mr. Hansell's question you have not been looking about for a means of reducing the deficit?—A. We have not, because we understood there was to be a general review of the basic financial picture of the corporation.

Q. There has not been any cut in services or other costs?—A. No.

Q. Can you say whether there has been any delay in expansion so far as commitments authorized by parliament go?—A. No, we have not delayed the new structure which was authorized. We have delayed a great many other things which we were requested to do, particularly services to outlying areas, either through private stations or facilities to be provided by the corporation itself.

Q. Has the commission given consideration to the question of the method by which they would like to see the needed additional revenue raised? In your evidence at the last meeting you referred simply to a request you had made to the Massey Commission to increase the licence fee from \$2.50 to \$5. Has the commission given consideration to any other means?—A. I cannot say what is in the mind of the commission. I think at their hearings there were a number of suggestions made and questions raised about that.

Q. Did that represent the view of the commission, that is the increase in the fee from \$2.50 to \$5?—A. Are you referring to the Massey Commission or the corporation?

Q. You indicated in your testimony last week you had asked the Massey Commission to approve an increase in the fee on radio receiving sets from \$2.50 to \$5, and that I gathered would provide the additional revenue you say you need. Now, did that represent the view the commission took as to the method by which it should be done?

The CHAIRMAN: I think there is some error in the terms there. You said, "Did that represent the view of the commission?"

Mr. FLEMING: I meant that Canadian Broadcasting Corporation.

The CHAIRMAN: You see, you were using the word "commission".

The WITNESS: May I explain that in our brief we wished to set out the basic financial position of the corporation, and wished to show what the magnitude of the problem was in terms of the licence fee. We have not felt that it is our function to make suggestions to parliament about how revenue should be raised. All we know of so far, is the licence fee.

Mr. KNIGHT: You would oppose raising a greater percentage of revenue on a commercial basis?

The WITNESS: We think it would be very difficult and that it would hurt the service very badly and upset the general pattern of radio in Canada.

Mr. KNIGHT: I am glad to hear you say that.

By Mr. Diefenbaker:

Q. In your representations to the Massey Commission there was a suggestion that the radio licence fee be raised to \$5. If I understood it correctly

there was some suggestion that with that licence fee you were going to publish a paper or distribute a paper?—A. The suggestion in no way came from us.

Q. Who did it come from?—A. As I recall, it was mentioned the first time by the Commission counsel.

Q. You do not approve of that?—A. We think there would be very great objection to it, in the way it was put forward. We now publish a small program sheet for which we have to charge, but we do not agree with the idea of some mass publication going to every licence-holder in the country.

Q. What is the publication you now have, if I may ask?

The CHAIRMAN: It is just a program sheet.

The WITNESS: Just the program schedule of the C.B.C.

By Mr. Diefenbaker:

Q. Does that go to all licence-holders?—A. No. The licence-holder must pay \$2 a year.

Q. Is it self-liquidating?—A. \$2 covers the cost of extra copies but it does not, under the present situation, cover the original editorial cost.

Q. Does any of the deficit of \$900,000 represent the cost of publication and distribution of this sheet?—A. No. We were formerly putting out several different kinds of program information but the demands kept on for free information. We could not meet those demands so we consolidated all of the matter into one sheet and said to them, "well, you will have to pay for it."

Q. The newspaper thing is out?—A. We gave no consideration to the distribution of it to every licence-holder.

Q. You are not in favour of that yourself?—A. No.

The CHAIRMAN: In order to keep the record straight on that, I shall state a certain recollection which I have and I shall ask about it. Once before in a radio committee some person was asking questions somewhat similar to those put by Mr. Diefenbaker. Somebody else spoke up and asked whether your objections applied equally to such a paper as *The Listener* which is published in England. It is my recollection that the answer was given that the objections to a newspaper did not apply to that sort of thing but you had never gotten around to actually considering it. Am I wrong in that? Does your objection, as expressed to Mr. Diefenbaker, apply to that kind of distribution?

The WITNESS: No, it would not. *The Listener* as members are aware, contains mostly talks on the air and we would like to do that and make it available.

Mr. DIEFENBAKER: It is a different kind of thing.

The CHAIRMAN: My only reason for raising the matter is so that at some time in the future you would not have two answers that would conflict.

By Mr. Diefenbaker:

Q. I have just one other question. It has to do with a matter I raised the other day in regard to advertising. You informed us as I remember, that you did not think there could be any increase in advertising rates?—A. I did not think I was quite so definite in saying that; but we think we are getting about as much as we can get.

Q. The amount you are getting today is what?—A. About \$2,400,000.

Q. I wish to ask the advertising costs for the McCarthy program, the Fibber McGee program, and the like, as compared with what is paid in the United States over Columbia, Mutual, or the National Broadcasting Corporation?—A. As I tried to explain before the cost of a radio program in commercial terms depends on a lot of things. It probably finally depends on the number of

people listening; that is what the advertiser is interested in. From the surveys we can do we find that our costs on that basis are at least equal to the American costs.

Q. Have you got the American costs?—A. Yes. It becomes a question of service to decide the figure as a whole, but we know the card rates in American radio.

Q. Can you put those on the record? Give us the cost of a thirty minute program for the programs I have mentioned and for other American programs coming over our stations?—A. We would be glad to give the card rates for the American networks.

By Mr. Smith (Calgary West):

Q. Mr. Dunton, when you suggested to the Massey Commission an increase in the licence fee from \$2.50 to \$5, what estimated expenditures did you make that on? I mean why was it not \$7.50 or \$3.50? or did you base it on any estimated expenditure? or did you just take it out of the air and say that \$5 was better than \$2.50?—A. I think it is about as close figuring as you can do, trying to look over a period of years ahead—particularly in an activity such as broadcasting where all sorts of things can affect it. If you took the cost of everything that would be desirable, and which the public in Canada asks for, you would get a much higher figure. Our rough estimates without making any provision for improvements whatever over the next several years, indicate that we need an increase of about one-half or \$1.25 per home. Another \$1.25 in very rough terms, would cover a number of other necessary improvements which are being asked for all over the country, and it would also be further assurance against increasing costs.

Q. But you must have made a calculation in an affair like this. You must have related your \$5 figure to a series of increases throughout the years. Now on what new services, and I do not mean individual service to one home, did you figure the increase?—A. All sorts of things.

Q. How many services? Do you know how many services you have now; how many you will have in 1952, or in 1955?—A. In radio you cannot surely figure either the cost or the value of the service by the number of departments or even the number of people employed. It is the total quality of the whole service.

Q. I am speaking now of the mechanics of the thing. If you suggest that you want \$5 instead of \$2.50 you know that you are going to double your revenue from that source. All right, then, what did you figure your expenditures to be? The Chairman will shoot me when I mention gas pipe lines, but for things like that they conduct surveys.

The CHAIRMAN: Mr. Smith, permit me to interrupt and say that evidently they do not make sufficiently comprehensive surveys.

By Mr. Smith (Calgary West):

Q. Well, that depends on who you mean by "they." I have listened to evidence on many occasions in connection with matters of this kind where they make estimates of revenue and estimates of expenditures, certainly each year for five years, and then for the five year period. They would for example take into account population as one of the big things. Have you any working papers or anything to show, on a \$5 basis, what your revenue will be in 1951, 1952, 1953, 1954, and 1955, or did you bother about that?—A. Oh, yes. We estimated as well as we could, and we would be glad to show you projections of what the revenue would be.

Q. That is what I want to get at.—A. Certainly.

Q. Now you have doubled your revenue from that source and I suppose you charge your advertisers on a basis of service for their advertising. You would have a pretty fair idea on the \$5 basis of what your revenues would be, let us say, five years from now; and you must have a pretty fair idea of what your expenditures would be. How do they stack up?—A. Roughly they stack up this way: that if we received the \$5 rate or its equivalent, we estimate that in about 5 years from now we would be going along quite nicely with revenues and expenditures just about in balance.

Q. When would you come to the place where you would be making some money?—A. If immediately the rate were raised to \$5, or if some other change were made. We would naturally have a surplus for a time with which we could build up reserves and start to pay off some of our capital loans.

Q. You would have an operating profit right away?—A. Yes, an operating surplus.

The CHAIRMAN: I have to make a long distance call to Winnipeg and if the members are agreeable, I shall ask Mr. Hansell to occupy the chair while I am gone.

Mr. SMITH: All right. We shall take full advantage of your absence.

The chairman retired and Mr. Hansell occupied the chair.

By Mr. Smith:

Q. What I am coming to is this: all the capital improvements you have made in your organization have come either from revenues, from licences, from advertising, or from loans or grants.—A. No. No grants.

Q. All right then, from loans. Have you set up a capital structure, I mean a financial capital structure? I was wondering about these loans that you speak of. They have been government loans, have they not?—A. Yes.

Q. But suppose the parliament of Canada were to say to you: "Look here, we have loaned you this money; but suppose we cancel those loans?" You would really have to get subscribed capital. Would that make any difference to your future operations?—A. It would make some difference.

Q. It would make some difference other than the interest charge?—A. A little more than that because we would not have to pay back the principal, presumably.

Q. I am trying to think of some way in which you could get relief by using your revenues to pay off your capital charges as at a cut-off date. I am not suggesting, of course, that you should continue indefinitely or anything of that kind. But what capital structure do you think you would need to have for the Canadian Broadcasting Corporation in order to carry on and at least to break even?—A. It seems to us that no matter what capital position we are in, the fundamental thing is that our revenues have to be at least equal to our expenditures each year, or over a period. That is the important thing.

Q. Mr. Hansell demonstrated that with his peanut stand, and Mr. Murray with his church.—A. On the capital side we have outstanding loans to the government of \$3¼ million. If they were to be wiped out, we would be in a better position; but it would not help the fundamental position of the corporation with respect to income and out-go.

Q. Let us say that you contemplate a five year period, and that you are going to make some more capital expenditures, perhaps to build a new station or something of that kind. What amount should you be forgiven—if I may use that expression—to permit you to go on and to say that from today forward you can make the capital expenditures which you have in mind from the revenues and still keep your head above water? You of all people must know where you are going better than any of the rest of us.—A. Yes, but our big worry is not capital expenditures. Our big worry is money to keep the service

going year by year. Surely, no matter how you cut and dry it, giving us capital expenditures will not solve the situation of current revenue.

Q. Suppose that your capital expenditures are taken care of otherwise than from your revenue—I know that you do not sell shares—then what relationship has this \$5 to the next five years of operations? How much will your profits be at the end of that time?—A. If our capital expenditures were taken care of, and if we had \$5 or its equivalent, in very rough figures I think it would only make a difference in our operating position in the fifth year of some \$400,000 or something of that magnitude.

Q. If in five years you spend more than \$400,000 on capital installations and so on, you would still need to come back somewhere to get some more money? That is what you are saying?—A. Surely the essential thing is that we need money to keep the services going apart from our capital expenditures and apart from the paying back of any capital loans.

Q. I admit that. I am trying to find out how much money you need to make the capital expenditures that you have in mind over a period of five years, and how much money you are going to need for them. I regard your so-called loans as a lot of nonsense.—A. But we have paid back every one so far out of revenues.

Q. You have done wonderfully well. But assuming these loans are out of your way and you do not have to pay them back, that would be a great saving?—A. Yes, we would save \$3½ million which we now owe.

Q. You have a pretty good idea of where you want the Canadian Broadcasting Corporation to go. What capital expenditures do you anticipate over the next five years?—A. A pretty large amount, around \$7 million. But some of those capital expenditures we would not make unless our current revenue and expenditure situation was very different from what it is now.

Q. Well, according to your current revenue situation, if you get the \$5 rate, and with conditions as they are now, you will about break even?—A. Yes.

Q. So if you need \$7 million additional capital over the next five years—
—A. With that \$5 rate we could take care of our capital projects, either pay them off or amortize them over a period of years.

Q. All right, to what extent?—A. First we could pay off about \$162,000 a year of the present loans, and also take care of capital payments averaging about \$400,000 over the years.

Q. Approaching this on a \$5 basis and \$162,000, what amount would you be paying off in yearly amounts?—A. About \$400,000.

Q. And this annual deficit of \$900,000?—A. I said it would be about \$900,000 for this year; and it would be a little higher in future years.

Q. And, as you say, you think this \$5 fee would give you \$1,552,000 in round figures?—A. You mean for capital expenditure?

Q. Yes.

Mr. FULTON: And at the rate of \$1,400,000 a year that would give you \$7,200,000 in 5 years, roughly.

The WITNESS: I am afraid I haven't got some of your ideas.

Mr. SMITH (*Calgary West*): Probably it is my fault.

The WITNESS: It is mine, I am sure. \$5 or equivalent would mean coming into the corporation from the time it started about \$5 million more per year. Immediately after that we will start to take care of some of our heavy capital commitments. We would make some improvements that are necessary. First, of course, we would cover our deficit and make some improvements that are necessary, and in time we would have a small surplus which could be used to pay off our present loans and finance some of our capital expenditures over the next few years. Isn't that the way you have to look at it?

By Mr. Smith (Calgary West):

Q. Surely, but our position is this: as you stand now you are about half a million short with increasing further capital expenditures every year.—A. It will grow each year, the way the present trend is.

Q. It will get worse?—A. Yes.

Q. And if you got this \$5, wouldn't that cut off a lot of your subscribers?—A. I doubt if the number of licence fee payers would grow because I doubt if there are very many Canadian homes without sets.

Q. Have you the number of licence fee payers?—A. I can't say the number of homes radios are in.

Q. Have you any idea how many radio sets are in operation in Canada?—A. I do not know.

Q. Have you any idea of the number of them?—A. The Department of Transport licenses radios. I would imagine you could get the number of licensed homes, not the number of sets, but the number of homes. Perhaps a figure on all sets would be included in the census.

Q. How many radios were sold in Canada in 1949?—A. I have forgotten the figure, but that is no indication at all, because some may be second sets in a home and some would be replacing sets that have been thrown out.

Q. But have you no figures as to the number of homes using sets?

By Mr. Fleming:

Q. I would like to ask Mr. Dunton in regard to this matter of income. In the year ended March 31, 1949, the total income was roughly \$7,500,000, of which something over \$5 million was licence fees, and \$2,217,000 commercial broadcasting and miscellaneous \$200,000. Now, can you without too much delay give us the figures of income from those three sources for the period over the last 10 years to indicate some of the trend?—A. Yes.

Q. Then when you are preparing such a table could you also give us the figures—and I am not asking you to produce your annual statements or balance sheets year by year—but could you give us in tabular form your record of operations as to deficits or surpluses and your current operations say for the 10-year period; then, three, a tabular record for the same period as to how you stand in respect to government loans; that is to say further loans, repayments during the year and balances owing?—A. Mr. Fleming, the first two would be easily combined into one statement.

Q. I do not care how you combine them as long as you get that information for us.—A. And the expenditures not broken down into too much detail, the operating expenditures.

Q. Well, you have your current expenditures broken down here under seven items—programs, engineering, networks, administration, press and information, commercial, and interest on loans—it should not be very difficult to project that series over the past 10 years.—A. No.

Q. And by that you might save a lot of time in giving answers to questions which might be anticipated.—A. Yes.

Q. These questions are all about income. Your licence fee income has grown by something over half a million dollars as a result of the action taken by parliament I think two and a half years ago in giving you the gross licence fee and not the net amount; that gave you something over half a million dollars, didn't it?—A. Yes.

Q. Then your income from commercial broadcasting has, I may say, grown over this 10-year period, has it not?—A. Yes.

Q. It is something now over three times what it was 10 years ago, is it not? The figure given in your statement for the year ending March 31st, 1949, is \$2,217,000, and in reply to Mr. Smith a few minutes ago you gave as a figure

for this year, I think \$2,400,000?—A. Yes, for the year ending March 31st, 1949, licence fees were \$2,650,000 and commercial broadcasting \$584,000.

Q. Ten years ago it was \$584,000?—A. Yes.

Q. So you have actually quadrupled your income from commercial broadcasting in the space of 10 years?—A. Yes.

Q. Well now, do the board of governors think that you have come to the end of your expansion of revenue from commercial broadcasting?—A. We cannot see any big increase in revenue because the networks in our judgment, and I think in the judgment of many listeners, carry at least as much commercial broadcasting as they should, and to get any comparable increase in commercial revenue you would have to go into other fields; for instance, such as increasing the amount of spot advertising. And, apparently, parliament doesn't wish us to do that. So you see there are serious limitations with regard to expansion in that type of commercial broadcasting.

Q. Apart from the question of change in policy, what income from commercial broadcasting have you projected in your estimates of income for the next period, the period you were speaking of in reply to Mr. Smith, the period of the next 4 to 5 years?—A. We are not contemplating any appreciable increase.

Q. What figure did you take?—A. Just the figure there of about \$2,500,000.

Q. A figure of \$2½ million?—A. Yes.

Q. And then with regard to the question of change in policy you indicated that the board has considered this and has decided against any change in policy that would offer any hope of increasing revenue from commercial broadcasting?—A. I would not put it quite as definitely as that. But the board thinks it would be bad for our service to go into what is really the field of the private stations more actively; that is spot announcements, local announcements, what is known as spot business.

Q. And at the same time may I ask you this; you have also, as I understand it, refused not only yourself to extend your field in spot advertising but you have also refused extra time for spot advertising to the private stations, have you not?—A. No, there is a regulation, a general regulation, which prohibits spot announcements in the evening between the hours of 7.30 and 11 at night on any station.

Q. I am looking at a press clipping here from a newspaper in August last year. I will just read the first paragraph as the article is quite lengthy, and then perhaps you could give us some information about it. It says, "the C.B.C. Board of Governors has rejected a request of the Canadian Association of Broadcasters for an increase in time in which spot advertising announcements may be made during radio broadcasts, it was announced today."—A. Yes, it is a general regulation which has been in the regulations book for many years now. It is designed in the interests of listeners to prevent much of the good listening time being cluttered up with short spot announcements.

Q. So much for the commercials. You feel you have more or less reached a static condition on income from commercial broadcasting.—A. Pretty much and I think there is more danger of that revenue dropping than there is the possibility of it increasing.

Q. Is that so?—A. Yes, I think there is quite a possibility of revenue from commercial network broadcasting dropping. It is getting more and more expensive and it is quite probable that some advertisers might turn to some other direction for their publicity.

Mr. SMITH (*Calgary West*): You could not get the soap opera fellows to do that, could you?

The WITNESS: They might do that! If they do it would mean a serious loss of revenue to the corporation.

By Mr. Fleming:

Q. If you were enabled to carry out some of the extensions that you plan to carry out how is that going to affect your income from commercial broadcasting? For instance, one thing you want to do is to set up a second French network. After that second French network is set up, is it not likely that there will be an increase of income from commercial broadcasting?—A. If we did have a second French network, that figure very likely would show an increase, but the expenditures side would also be larger, and the increase there would be more than the increase in revenue. If we had a second French network there probably would be a certain increase in our commercial revenue, but I do not think it would be very great. For one thing, some programs would be almost sure to move from our present French network, to the new one.

Q. Would you make it quite clear, Mr. Dunton, as to whether this income of \$2½ million, which you regard as a probable income from commercial broadcasting, is based on the assumption that there is going to be an increase in your funds which will enable you to carry out expansions, or whether it contemplates that you will be unable to make your expansions?—A. No, it would mean that this figure would go up somewhat if there is a second French network, but the increase in expenditures on that second French network would be a balancing amount of the extra revenue coming from it.

Q. You have made it quite clear as to that particular network, but I am asking you now over all. This \$2½ million: which of the two bases was it prepared on?—A. I would like you to understand most of the other extensions we are being asked for will not result in an increase of revenue. The chief increases in coverage being asked for and which we should carry out are in outlying areas where the increase in revenue would be small indeed. That \$2½ million figure is only a guess, it may go up, or it may go down.

Q. When your advisers gave you that figure of estimated revenue, on which basis did they proceed, which of these two bases: that you are going to get enough money to carry out the expansions you want, or you are going to go on as you are now?—A. That if we do carry it out it will not affect this figure.

Q. I was wondering on which basis they worked on?—A. It was on the basis that there would be some more revenue but it would be so small that it would not affect the figure.

Mr. SMITH (*Calgary West*): You might improve your gross position but you would not affect your net.

By Mr. Richard:

Q. Would you mind repeating again, Mr. Dunton, what is the proportion of your commercial on your network?—A. The proportion of revenue?

Q. No, the proportion of time.—A. Of all the total number of network programs we put out in the country about 20 per cent are commercial.

Q. So we are paying for the service we give the public?—A. The whole basis of the system is a national system paid for by the public and supplemented by the revenue from commercial programs.

Q. There is no question of the Canadian Broadcasting Corporation being self-sufficient on account of its revenues?—A. Commercial revenues?

Q. Any kind of revenues.—A. It gets main revenues now from licence fees and for years it was self-sufficient from that, with some from commercials.

Q. That comes out of the same pocket all the time?—A. If you mean commercial revenue?

Q. Yes.—A. I would say a national system could not operate in Canada on a commercial revenue basis.

By Mr. Hansell:

Q. How about the American networks in that respect?—A. It is because of the difference in the country. In the United States you have 150 million people living there; here we have 13 million people living in an area which is longer from one end of the network to the other than theirs is. In our network we cover five and a half time zones, whereas in the American networks they only cover four time zones.

Q. How would this 20 per cent of commercial time on the Canadian Broadcasting Corporation compare with the independent stations? Have you any idea, approximately?—A. I have seen some of their figures. They vary greatly from station to station and I think in nearly every case they would be higher.

The CHAIRMAN: Which would be higher?

The WITNESS: The proportion of time devoted to commercial programming on private stations.

The CHAIRMAN: That is they would be higher?

Mr. HANSELL: Do any of your stations throughout the country take any commercial advertising apart from networks?

The WITNESS: Yes, as we explained at earlier committees, the station in Chicoutimi has for years taken some because there was not a private commercial station in the area; the station in Prince Rupert, station CJBC in Toronto have also taken some; and a few programs have been taken on other stations where they did not interfere with network services.

Mr. FULTON: All these figures you give in your forecasts that you have been discussing this afternoon I take it do not have any relation to the question of television at all; you have been leaving that out?

The WITNESS: I meant to make that clear. I have been talking about the sound broadcasting in all these figures.

By Mr. Fleming:

Q. I had a question on that point, Mr. Dunton. In the figures of expenditures to date—I am not speaking of income—had you not included any expenditures for work on television?—A. There will be some.

Q. I am not speaking about capital expenditure now necessarily, although I will be glad to know about that. Are you in a position to give us a statement by years of your expenditures on television, experimental or otherwise, and indicate to us how you treated those in your annual statement?—A. Before the year which just ended in March there was no provision because it was mostly a matter of study and that sort of thing, and no particular charge was made.

Q. You did not segregate any expenditures on television until April 1 of this year?—A. Until April 1, 1949. We did that in the fiscal year which has just ended, and it was about \$50,000.

Q. It was \$50,000 in the fiscal year ended March 31, 1950?—A. That is right.

Q. I am not going into the question of television now; I was just speaking to the question.—A. All these expenditures on television will be charged to a special television account.

Q. Against the \$4,500,000?—A. Against the \$4,500,000.

By Mr. Fulton:

Q. This \$7 million you gave us as an estimate of capital expenditures does not include anything for television?—A. No, I am speaking solely of sound broadcasting.

Q. You anticipate if you get the increased \$5 million for licence fees or equivalent, you will be able to finance your capital expenditures with current revenue, and that is your intention?—A. Yes, that is what we always did do in the past. We have had loans on short duration and even the present loans are on a seven-year basis, after which we have to start repaying them.

By Mr. Fleming:

Q. In connection with this projection over the next five-year period, did you work out the figures of income and expenditure by items in the same way they appear on your annual statement?—A. No, we have not done them in that form, but we could have a try at that.

Q. I do not want to put you to a whole lot of trouble, but I was wondering if you have estimated your expenditures in these different categories in the same way as your estimates in respect of income. Would it be a lot of trouble for you to work that out?—A. I think we can do something.

Q. If you could give us the annual statements that you projected for each of those five years ahead, or as much as you can reasonably provide, that would be very helpful.—A. You realize it would have to be extremely vague and subject to variations?

Q. Oh, quite, and the farther into the future the more difficult it will be. I was just wondering how far you have gone in working out your estimates, into what detail you went to arrive at the conclusions you have testified to here today in reply to Mr. Smith's questions, and also the answers you gave to the Massey Commission when you appeared before them.

By Mr. Smith (Calgary West):

Q. Along that line, can you tell us what increase in homes you anticipate in Canada in 1955?—A. We have been counting on about 4 per cent per annum increase in the number of radio homes per year, which to my mind may well be too high.

By Mr. Gauthier (Sudbury):

Q. Have you any idea of the percentage of licences collected presently?—A. That is not our field, that is the Department of Transport.

Q. I know, but somebody has to do something about that anyway.

Mr. KNIGHT: It is an important question, Mr. Chairman, because if by any misfortune the fee is raised to \$5 I think you will find the law of diminishing returns will operate.

Mr. FULTON: Mr. Brown is here from the Department of Transport. Would it be in order to ask that he be called?

The CHAIRMAN: I think it is always understood the Department of Transport would be available any time we desire them.

Mr. FLEMING: Mr. Brown will no doubt produce the usual statement he brings with him when he is called to give us figures and conclusions by provinces and that sort of information.

Mr. SMITH (*Calgary West*): I do not think we should bother Mr. Dunton with that; it is out of his hands.

Mr. HANSELL: The financial statement in the back of the annual report for 1948-1949 is the last printed annual statement that we have. Will the committee be furnished with a later one even though it is an approximation?

The WITNESS: We have a statement ready now.

The CHAIRMAN: I notice it is mimeographed; is it ready for distribution?

The WITNESS: Yes, we can distribute it now.

CANADIAN BROADCASTING CORPORATION

TENTATIVE BALANCE SHEET

31st March, 1950

ASSETS		LIABILITIES	
<i>Current</i>		<i>Current</i>	
Cash on Hand and in Bank	\$ 613,664.04	Accounts Payable	\$ 878,404.08
<i>Accounts Receivable:</i>		Securities Deposited by Contractors.....	13,472.00
General	\$ 635,134.00		<u>\$ 891,876.08</u>
Less Reserve for Bad Debts	5,000.00	<i>Dominion of Canada</i>	
	630,134.00	Loan 2½% for Capital Works	
<i>Dominion of Canada:</i>		(Authorized by Appropriation Act	
Re: International Service..	813,555.29	No. 6, 1946—Vote 965)	2,000,000.00
Radio Licence Fees..	36,960.17	Loan 3½% for Capital Works	
	850,515.46	(Authorized by Appropriation Act	
Accrued Bank Interest.....	1,779.89	No. 4, 1948—Vote 930)	1,250,000.00
<i>Investments</i>		Loan 3% for Television	
Dominion of Canada Bonds..	5,572,500.00	(Authorized by Appropriation Act	
(Market Value \$5,595,300)		No. 7, 1949—Vote 934)	4,500,000.00
Accrued Interest Receivable	32,465.75		<u>7,750,000.00</u>
	5,604,965.75	<i>Dominion of Canada</i>	
	<u>\$ 7,701,059.14</u>	International Service Facilities Sackville,	
<i>Fixed</i>		N.B., and Montreal, P.Q. (Per Contra	
Real Estate, Buildings, Technical Equip-		Account)	4,944,286.64
ment, Studio and Office Furnishings,		<i>Surplus</i>	
Library of Records, etc.	5,320,148.11	Capital Surplus, acquired at	
Less Allowance for Depreciation and		inception under Section 25	
Obsolescence November 2nd, 1936, to		of "The Canadian Broad-	
March 31st, 1950	2,595,687.74	casting Act, 1936"	\$ 494,377.16
	<u>2,724,460.37</u>	Add acquisition of assets due	
Add International Service Facilities,		to Union with Newfound-	
Sackville, N.B., and Montreal, P.Q.		land, April 1st, 1949	361,675.88
(Per Contra Account—Dominion of			<u>856,053.04</u>
Canada)	4,944,286.64	Operating Surplus, as at	
	<u>7,668,747.01</u>	April 1st, 1949	1,544,626.22
<i>Deferred Charges and Prepaid Expenses</i>		Deduct adjustments during	
<i>Inventories</i>		year	68,052.45
Expendable Stores	184,061.47		<u>1,476,573.77</u>
Stationery and Printing..	83,504.95	Less Operating Deficit	
Publications	931.15	1949/50	242,000.00
	268,497.57		<u>1,234,573.77</u>
Prepaid Charges	38,485.81		<u>2,090,626.81</u>
	<u>306,983.38</u>		<u>\$15,676,789.53</u>
	<u>\$15,676,789.53</u>		

OTTAWA, Ontario,
May 15th, 1950.

H. BRAMAH,
Treasurer.

CANADIAN BROADCASTING CORPORATION

TENTATIVE STATEMENT OF INCOME AND EXPENDITURES

1st April 1949 to 31st March 1950

INCOME

Licence Fees	\$5,481,000 00
Commercial Broadcasting	2,368,000 00
Miscellaneous	149,000 00
	<hr/>
	7,998,000 00

EXPENDITURES

Programmes	\$4,196,000 00
Engineering	1,680,000 00
Station Networks (Wire Lines).....	1,156,000 00
Administration	417,000 00
Press and Information.....	228,000 00
Commercial Department	201,000 00
Television (Promotional)	56,000 00
Interest on Loans.....	95,000 00
	<hr/>
	8,029,000 00
Deficit	31,000 00
Add Allowance for Depreciation and Obsolescence—	
2½% on Buildings	45,000 00
5% on Equipment	166,000 00
	<hr/>
	211,000 00
	<hr/>
Total Operating Deficit.....	\$ 242,000 00

NOTE: For expenditures *re* International Service *see* separate statement.

H. BRAMAH,
Treasurer.

OTTAWA, Ontario, May 15, 1950.

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SERVICE EXPENDITURES

1st April 1949 to 31st March 1950

Performers' Fees	\$ 384,641 09
Salaries	606,314 62
News Service	53,633 61
Postage and Excise	19,666 43
Printing and Stationery.....	74,155 00
Rental of Accommodation.....	25,410 29
Telegrams, Telephones and Teletype.....	35,232 76
Travelling, Removal Expenses and Duty Ent.....	34,868 05
Transmission Lines	24,692 69
General Operating Overhead.....	101,855 04
Power	27,586 59
Tubes and Maintenance.....	40,541 64
Montreal-Sackville Line	44,089 65
Improvements to Leased Properties.....	67 49
Supervision Charges	75,188 99
	<hr/>
	1,547,943 94
Capital Expenditures	1,089,758 33
	<hr/>
	\$2,637,702 27

NOTE: Sundry Revenues earned by International Service during 1949/50 amounted to \$5,486.76. Such Revenues are payable to the Receiver General of Canada.

H. BRAMAH,
Treasurer.

OTTAWA, Ontario, May 15, 1950.

Mr. HANSELL: I have not seen the new statement and assume that it will be made out the same as the one in this 1948-49 report. I wonder if we could have a breakdown of these groups of expenditures under programs, engineering, station networks, administration, press and information, commercial department, television, and interest on loans. Personally I am not an accountant and I have difficulty in keeping my own pocket money straight, so these figures do not mean much to me unless I know the details of what is being spent on programs and so forth.

The CHAIRMAN: Mr. Dunton, can you give a breakdown now?

Mr. HANSELL: It need not necessarily be now; perhaps he can prepare something for us.

The WITNESS: May I ask Mr. Hansell what type of general breakdown he wishes?

Mr. HANSELL: We will take press and information as an example. What might be spent for overseas press service, what might be spent for press services of the United Nations, what might be spent for press fees of the Canadian Press and British United Press, or whatever information service you use? Could you give us something along that line? There are all sorts of programs, dramatic programs, talks, etc. I am afraid I will have to leave it to your own judgment. I must confess I am looking at it from the viewpoint of where we can cut down expenditures without interfering too much with the general work of the C.B.C. and the effectiveness of radio in Canada. Now, perhaps I have let the cat out of the bag, but that is what I would like to know.

The WITNESS: We can give you some breakdowns. In our kind of operation we can break them down in all sorts of ways; we can give you a breakdown and perhaps you would care to ask some questions later.

Mr. SMITH (*Calgary West*): For example, did you pay for stand-by wire lines?

The WITNESS: No, it is up to the wire line companies to provide us with that service.

The CHAIRMAN: You do not own any lines?

The WITNESS: No.

By Mr. Hansell:

Q. I was going to ask you whether the telegraph lines charged for stand-by lines and if there is anything included in the cost of lines that would pay the telegraph companies for stand-by lines?—A. No, there is no consideration for that. We buy the service from them between a certain number of points and it is up to them to provide that service.

By Mr. Smith (Calgary West):

Q. You buy the service and it is up to them the way they do it?—A. Yes.

By Mr. Hansell:

Q. While we are on the subject of network lines, it is shown in the 1948-49 report that over one million dollars was spent. Do I understand there is also revenue from those lines?—A. The revenue which we get in connection with wire lines charged on commercial programs is included in the commercial broadcast revenue. It is simply a matter of method of charging for networks.

Q. Yes, I see.—A. It is simply a method of charging.

Q. It is charged as part of the cost then of commercial programs?—A. In the United States they simply say for a network of so many stations the charge is so much. We, by habit, say so much for the station and so much for the line.

Q. Supposing two or three independent stations want to run a network in a local area or in a province—

Mr. SMITH (*Calgary West*): They do not allow that?

Mr. HANSELL: It has been done.

The CHAIRMAN: Sometimes.

Mr. HANSELL: If they do, they are charged for the network by the C.B.C.?

The CHAIRMAN: Charged for the line service?

The WITNESS: Yes.

Mr. HANSELL: Is there any difference in the cost you pay and the fees you collect?

The WITNESS: There would be a difference because we buy at an over-all contract rate from the wire lines in the country.

The CHAIRMAN: In such a case as that you charge a retail price which is a little higher?

The WITNESS: Yes; we charge a set standard price across the country.

Mr. HANSELL: Evidently, by Mr. Smith's interjection, the amount of network, apart from the C.B.C., is almost negligible.

The WITNESS: There are a number of subsidiary hook-ups in the country. We give permission for regional or provincial hook-ups for specific programs. There are quite a number running.

The CHAIRMAN: Have you got a figure handy?

The WITNESS: There were several hundred last year, I think.

Mr. SMITH (*Calgary West*): All with permission?

The WITNESS: Yes.

Mr. FLEMING: Is Mr. Hansell finished?

Mr. HANSELL: On that point, yes.

By Mr. Fleming:

Q. May I ask Mr. Dunton about this breakdown of expenditures. Mr. Hansell indicated interest in a breakdown of the item press and information. Could Mr. Dunton submit to us a breakdown on these other items appearing in this list in the exhibit filed—the tentative statement of income and expenditure from April 1st, 1949, to March 31st, 1950? If Mr. Dunton asks me how far he should go, I will say it is hard for us to determine that until we see something of the principal items but, suppose for the present, that Mr. Dunton uses his judgment as to what would be a reasonable breakdown; and I think he will give to the committee the kind of information which he knows the committee is seeking. If there is anything else which is desired we will ask for it?—A. I might say that we can give you a pretty complete breakdown for 1948-49 because the figures are available, our books are made up; but it would take much longer to do a breakdown for 1949-50. Would it be satisfactory if we started with a breakdown for 1948-49? That breakdown can be made available right away and we can be asked questions on it.

Q. I think that would be all right, and as we go along we will know whether we have to ask you to go into any great detail for the year April 1st, 1949 to March 31st, 1950?

The CHAIRMAN: I have no doubt that the breakdowns will be produced in mimeographed form and if that is so, would you be good enough to send copies to our clerk who, as soon as he gets them, will distribute them to the members. I think that would be of general convenience.

Mr. FLEMING: It would be a great help and would expedite the proceedings.

By Mr. Smith (Calgary West):

Q. Does Mathew Halton come under programs or press and information?—
A. Programs.

Q. What kind of programs?—A. News reports and commentaries.

Q. Not press and information?—A. No.

Q. I agree with you there.—A. I might explain that press and information covers the information from the C.B.C. to newspapers; it does not have anything to do with our own news service which goes on the air—that is a program service.

By Mr. Fleming:

Q. May I ask Mr. Dunton a question about the statement. How far may it be relied upon? It is called a tentative balance sheet, but how far may we rely on this as being the final statement of the corporation—subject to audit by the Auditor General?—A. I think changes would be mostly minor.

Q. For our purposes in this committee then we may take this as the final statement?—A. I think it is a pretty good statement.

Mr. KNIGHT: While we are on the question of press service, Mr. Chairman, I was wondering if the C.B.C. had any official attitude in the matter of unionism of the press services from which it gets its news?

The WITNESS: No, we have no attitude about that.

Mr. KNIGHT: The question of unionism of the press is a fairly hot one at the moment. If the Canadian Press or its subsidiary press news concerns were convicted on charges of unfair labour practices in their efforts to prevent employees forming unions, would the C.B.C. continue to buy their services—which the union people would certainly call scab services?

The CHAIRMAN: I rather think you should not press that question Mr. Knight on the ground of it being so hypothetical. You say if so and so, and if so and so. Do you not think you are asking them to pass judgment on a future action?

Mr. KNIGHT: I realize that, after Mr. Dunton says that C.B.C. has no official policy in the matter.

The CHAIRMAN: Not yet; the question is so hypothetical.

Mr. FLEMING: And sub judice.

Mr. KNIGHT: If and when the matter arises you will consider it?

The WITNESS: Yes, in the light of the contract we have with the Canadian Press.

Mr. FLEMING: I have a question about loans. You indicate one of the reasons you want a substantial increase in revenue is that you have some anxiety about repaying loans the government has made to you?

The WITNESS: It is one of the charges we have to face. We do not put it forward as one of the prime needs. If our operating position were healthy there would be no difficulty about paying loans.

Mr. SMITH (*Calgary West*): The Canadian National Railways wipe out all their capital loans, why don't you?

By Mr. Fleming:

Q. You express anxiety about repaying these loans, but does the government press the C.B.C. for repayment of loans?—A. It certainly does.

Q. Who gets after you?—A. When we get a loan the terms are very definitely laid down.

Mr. KNIGHT: Is that the reason you pay them?

Mr. SMITH (*Calgary West*): It is written in the bond?

The WITNESS: The terms are laid down and we have to meet them; that is all.

Mr. FLEMING: Can you give us a statement on the terms of repayment of the outstanding loans? If it is not convenient to do so, now, you could give it later?

The CHAIRMAN: He pays the loan in order to escape interest. A deficit results thereby and he pays interest on an overdraft.

Mr. FLEMING: And he borrows more money from the government to take care of the overdraft. It is a vicious circle.

The CHAIRMAN: Not vicious as long as you can keep it up.

Mr. FULTON: As long as you do not get called.

The WITNESS: The \$2 million loan is at $2\frac{3}{4}$ per cent. The principal repayments start on July 1, 1955.

By Mr. Fleming:

Q. And how are they scheduled?—A. Over 20 years, on an amortization basis.

Q. Then they are not equal?—A. Yes. On an amortization basis there are equal payments of principal and interest.

Q. That is the \$100,000 a year you are paying, commencing in 1955?—A. The amortization payments would be about \$130,000, that is principal and interest, over the 20 years.

Q. I am not concerned about the interest, but rather with the principal and the terms of repayment.—A. Yes.

Q. The principal is to be repaid at the rate of \$100,000 per year over a 20 year period commencing in 1955?—A. That is right.

Q. What about the next one, the \$350,000?—A. That is at $3\frac{1}{8}$ per cent. We did not get such good terms there. It starts on January 1, 1957, and runs for 20 years.

Q. That is about \$62,500 a year for 20 years commencing in 1957?—A. Yes, principal repayments.

Q. And that last loan for television, the \$4 $\frac{1}{2}$ million loan at 3 per cent?—A. Yes.

Q. What are the terms of repayment there?—A. It starts in 1959. It is for 20 years too.

Q. That would be at the rate of \$250,000 a year for 20 years, commencing in 1959?—A. Yes.

Q. In connection with these three outstanding loans there are no principal repayments to be made between now and 1955?—A. That is right.

Q. Then how did the repayment of loans enter into your calculation over this five year period in which you projected your costs? I think the repayment of loans was a factor in your request for larger revenues?—A. I do not think we have advanced much of an argument for it. We said we needed revenues to meet all our obligations. The \$3 $\frac{1}{4}$ million loan is the principal one that we have to pay off. Actually we should start to pay them off in advance of their due dates. If repayment is delayed for a few years it does not make our position any better.

By Mr. Knight:

Q. What sum of principal and interest will be payable this year?—A. No principal will be repaid.

Q. Then how much interest?

The CHAIRMAN: The first principal will be paid in 1955.

The WITNESS: In this immediate past year it was \$95,000 and it will be the same in this coming year, except that there will be interest payments on the television loan.

By Mr. Fleming:

Q. In relating the information you have just given to the statement you made in reply to Mr. Smith, I take it then that the picture is rather substantially changed if you are not going to repay government loans which are not due for another five years.—A. It was not I who emphasized the loan business. I think it was Mr. Smith. We have not emphasized it as a serious thing. We consider the serious thing is our whole position with regard to revenues: current revenue and current expenditures. We consider that to be far more serious than any capital position.

Q. Well I certainly got the impression from your remarks that you were indicating an anxiety to repay government loans. That is the reason I made a note to ask you if the government was pressing you on it.—A. No, they are not. The terms are as laid down.

Q. When did you last repay capital loans from the government?—A. It was in either 1943 or 1944. We paid them off in advance of their due date.

Q. So you have not made any advance in respect to capital loans for some years now, and you won't be doing so for another five years?—A. In 1955; that is getting closer; that would be in about 4½ years, yes.

Q. I would think that the capital obligation of these loans could not have been a very serious problem in your figuring over a period of more than a decade?—A. I tried to make that clear to Mr. Smith, that on the capital side both loans and interest are not our worry; but that our big worry is the basic position of income and out-go.

By Mr. Hansell:

Q. That is, particularly, operating expenditures?—A. Yes.

Q. I can understand it all right.

The CHAIRMAN: What you said about having difficulty keeping your pocket money straight turned out to be not correct. You are not as bad as that.

Mr. HANSELL: Perhaps so. I can see the point Mr. Dunton is making, that it is not capital outlay that is bothering him. That is taken care of pretty well. It is in the operating expenses and income where the rub comes.

The CHAIRMAN: Yes.

By Mr. Fulton:

Q. Your capital construction picture is not as bad as it otherwise might seem to be because you still have over \$1 million on hand, apart from the television loan, with which to meet those capital costs, as I read your balance sheet. You have about \$1 million invested in bonds?—A. Yes. That is mostly for capital projects which have been committed for, but the money has not actually been paid out. So we are holding the money in bonds until the time of payment, in order to get the interest on it.

Q. But there would not be any money left over to meet the \$7 million outlay?—A. No. About all of this money is committed now.

By Mr. Fleming:

Q. You were speaking of a situation which you have not had to face for the last seven years?—A. No.

By Mr. Hansell:

Q. Before we close at 6 o'clock night I refer to a question I asked a little while ago concerning wires. It occurs to me that the matter was discussed in a previous committee and I am trying to recall what the answers were. My question is in respect to whether or not you have ever asked for competitive bids from telephone companies?—A. I might explain that the corporation, when it was first set up, found that in order to get a nation-wide service it had to make a long term nation-wide contract. At the time it found that the only organization it could do that with was the two railway wire companies acting jointly. So we have a joint contract with them which was renewed recently but which will come up again within the next three years. Then we shall be extremely interested if any other bodies wish to do business and put in bids. But we do need a nation-wide service.

Q. And the telephone companies are not able to give it?—A. We have had a new expression of interest recently from them.

Q. Well then, may I ask one more question relating to telephone line charges. Assuming that you got line services at a lower rate would that make very much difference in the over-all picture in this respect, would your charges for commercial broadcasting be any different than they are now? Would you charge according to the new telephone rates or would you continue your present charges?—A. We need money very badly, Mr. Hansell, the rates we charge now seem pretty fair. I do not think we would be inclined to reduce them.

Mr. FULTON: As in any other business, you try to operate as cheaply as you can and to charge as much as you can?

The WITNESS: Exactly, we are only too happy to get any reduction we can, and also to keep our revenue up.

By Mr. Hansell:

Q. Well then, the telephone company would continue to give you the service but would give it to you at a lower rate? You would carry on your services in the same way?—A. Certainly. We are interested in getting services at a cheaper rate any time we can. As I explained, the method of charging has been the same. It really is a simple matter of charging for the whole network facilities.

Q. I suppose you would have to deal with quite a number of telephone systems as compared with the present arrangement where you only have to deal with two companies?—A. They operate jointly on some things. All the existing telephone companies in the country work together in long distance telephone communications.

Mr. FLEMING: On that question of loans, do you contemplate any need or any request for further loans of this nature within the next 5-year period?

The WITNESS: I do not think so, but naturally a great deal would depend on what happens with respect to our general financial position. That is the essential thing, not the amount of money coming into the corporation each year and going out. In general I think we have in mind paying for any capital improvements over a certain period of years. It may be that as the income situation is improved we would not need to ask for loans as much. We still might, however, have to have loans for important capital projects but we would pay them off over a period of years.

The CHAIRMAN: Gentlemen, may I interrupt the questioning to inquire your pleasure as to our next sitting? We have the officials of the C.B.C. here and to meet their convenience it will be appreciated if we could sit tomorrow as well as tonight. Notices have gone out for tonight at 8 o'clock. Now, what about sitting tomorrow?

Mr. FLEMING: There are other committees sitting tomorrow morning at 11 and a number of us would like to be in attendance there.

Mr. FULTON: Why could we not sit tomorrow morning at 10, from 10 to 12. The other committees will be sitting from 11 to 1, and that would still leave an hour to members who wanted to attend the other committees.

The CHAIRMAN: Well then, gentlemen, if it is agreed, we will sit tomorrow from 10 to 12 in the morning and at 4 o'clock in the afternoon, and we will sit tonight at 8 o'clock.

By Mr. Richard:

Q. I was going to ask a question about commercial programs. Are there no other commercial networks?—A. We are the only people who operate commercial networks in Canada.

Q. What about provincial networks?—A. I said we operate nationally and there are networks arranged by us and with our permission.

Q. How do their rates compare?—A. I think in a general way about the same. When you start comparing rates you have to go into all sorts of things, but I would think they would be no higher.

The CHAIRMAN: Mr. Fleming, you had another question.

Mr. FLEMING: Yes, I can use the five minutes to good advantage in clearing up some points about loans.

By Mr. Fleming:

Q. Mr. Dunton, apart from the initial loan you got when the corporation came into existence, have you ever obtained government loans for other than capital purposes?—A. No.

Q. You have never asked for a loan for any kind of expenditure?—A. No.

Q. Now, looking at the statement for both years, I note there is an allowance you set up for depreciation and obsolescence, and for the fiscal year ended March 31, 1949, your allowance for depreciation and obsolescence on buildings and equipment aggregated \$196,000, which was deducted before arriving at your figure of net operating deficit of \$43,000. Actually you are not showing a cash loss on that statement?—A. No.

Q. And similarly in the fiscal year March 31, 1950, in arriving at the total operating deficit of \$242,000 there is not deducted an allowance for depreciation and obsolescence on buildings and equipment of \$211,000, so that your cash loss in the fiscal year ending March 31, 1950, is \$31,000?—A. I must explain that the expenditure does not cover what we refer to as ordinary capital expenditure. Every year we have to buy certain equipment for various purposes. That would not show under expenditure, but it would be cash out-go in the year.

Q. Now, is it possible to read the statements you have submitted to us so as to indicate the expenditure you refer to?—A. We can easily give you a statement.

Q. It would not be difficult to prepare, would it?—A. No, we can get that quite easily.

The CHAIRMAN: That bears that point out.

The committee adjourned.

EVENING SESSION

The Committee resumed at 8 p.m.

Mr. A. Davidson Dunton, Chairman, Board of Governors of Canadian Broadcasting Corporation, recalled:

The CHAIRMAN: Order please: Mr. Fleming, you were asking some questions at 6 o'clock when we adjourned. Do you want to go ahead?

MR. FLEMING: I could go ahead, Mr. Chairman, but I am inclined to think that in the long run as far as I am concerned, if I deferred my questions on the financial aspect until we have the statements for which I asked this afternoon I would get ahead faster. I might go ahead now and then come back to the statements later on, but I think probably it would be better if I were to wait until the statements are here, otherwise I might be duplicating a lot of questions. I have a lot of questions on other subjects though.

MR. SMITH (*Calgary West*): I want to ask Mr. Dunton a question, and in doing so I may be making a number of assumptions. One of them is as to the financial structure of the Canadian Broadcasting Corporation. Now, what sort of a financial set-up do you visualize under which this Corporation can be operated? And by that I mean—having had some experience, as I think we all have, in observing the operation let us say of the Canadian National Railways and this Corporation is in many respects similar—what sort of a financial set-up do you think would put it on a paying basis? You see, as it is, you are continually going to the government for funds when you need them, and for some years now you have been getting money as you needed it. What I am getting at is this, can C.B.C. be put on a paying basis? In other words, what is the answer to all this business so we don't have the same history that we have had with the Canadian National Railways?

The WITNESS: It seems to me, Mr. Smith, that the answer has been pretty well provided in the fact that in 1936 and 1937 parliament set up a public corporation to carry on the national broadcasting system, and they said: we, by law, will give you \$2.50 per licensed radio home to operate this national system on together with anything you can pick up on a commercial basis; you go ahead and do the best job for the public that you can. And that is in effect what the Corporation have done in the last 12 years now and it has very carefully tried to live within the means coming to it, largely from the licence fee revenue. And I think it is the way to operate,—to have a steady income or basis of income, and then it is up to the system to live within that, to do the best job for the public it can within those means. What we are saying now is that the base of \$2.50 which was set before the war is now greatly reduced because of the value of the dollar which is now down to about half of what it was then. We are still getting the same \$2.50, and we are paying out in 1950 dollars. We cannot now operate a broadcasting system in Canada with the dollar at its present value and the former basis of computing revenue. In other words the dollar content of your income should be brought up to par in terms of present day purchasing power. It seems to me the best way would be for parliament, after reviewing the thing and taking into account the change in the whole price level in the whole economy of the country, should again set the rate of income on the basis of present values, and then say to the Corporation you go and do the best possible job that you can with these funds. I do not think if any reasonable basis is set that the Corporation will come back pleading for money at least for some time. I do not

think we have in the history of the Corporation. We have never asked that our deficit be met until this year. We have lived within our means. Now we say we can if parliament wishes live within the means of terms of present day values, that if parliament wishes we will meet our expenditures and stay within those means, but that will mean a very severe reduction in the service to the public on the present revenue notes. That seems to be a decision for parliament to make.

Mr. SMITH (*Calgary West*): On that last statement you made, about the rate having been set at \$2.50 some years ago, extensive study has been given to this matter. Now, what you are saying is, and I probably would agree with you, no other business has been required to operate on a fixed revenue of that kind and could not possibly operate when the revenue remains more or less static. But have you any other ideas than the raising of the licence fees.

The WITNESS: We don't like going beyond our functions. Our business is to operate the system. We don't like going so far as to make suggestions concerning things beyond our terms. We must stay within the terms set down in the Act.

Mr. MURRAY: Would you consider doing away with the licence fee?

The WITNESS: It is not our business to say how it would be financed.

The CHAIRMAN: I rather think that Mr. Murray's question is out of order for this witness. One answer, without using this offensively, would be that it is none of his business.

Mr. MURRAY: Then the reference apparently is in order. I mean, Mr. Smith may ask questions but the rest of us may not.

The CHAIRMAN: Not just on the precise point. What he was referring to, as far as I got it, was some suggestions for other ways of carrying on. There was the suggestion that the fee should be increased, and Mr. Dunton had explained that what he was doing was only using that as a measure of the amount that he needed.

By Mr. Murray:

Q. May I ask one question, if Mr. Smith will allow me to do so? Is it a fact that a good many users or owners of sets do not pay a licence?—A. I would think it is common knowledge that some people do not. But again, it is not our affair who pays or who does not.

Q. I am contributing something for the information of the group here. In my riding I believe 500 licences are paid for while there are probably three or four times that number of sets. That is, in one part of the riding there are probably two thousand machines used. I wonder if that occurs elsewhere throughout Canada?

The CHAIRMAN: I suppose that some parts of Canada are a bit more honest than others.

Mr. MURRAY: It is not a matter of honesty.

The CHAIRMAN: Eagerness, I should say.

Mr. MURRAY: A person tunes in and gets Salt Lake City and the Mormon Temple when he is trying to get Calgary or Edmonton. That naturally causes him to feel very dissatisfied unless he is fond of getting Salt Lake City. But it is a fact that they are getting Alaska Stations, Fairbanks, Seattle, Portland, and many other places in the United States when our own stations do not come in. This is not a reflection on Mr. Dunton, but it just happens that way and people say: We are not getting these stations and therefore we won't pay for the licence.

Mr. FLEMING: Is Mr. Brown here to hear this evidence?

Mr. MURRAY: It gets around to this: that if the whole licence structure were removed and other provision was made for financing the C.B.C., I think it would be in the general interest of Canada.

By Mr. Stewart:

Q. Obviously the corporation is in need of funds. We are told it is doing the best job it can within its means, but that does not mean to say that it is doing the best job it could be doing for the people of Canada. If we abolished the licence fee it would mean less revenue by some \$5½ million. But on the other hand if we substituted therefor a grant by statute of \$1 per head per annum, that would give the corporation some \$13 million instead of \$5½ million. How far would that go in the next two or three years not only in meeting the needs of the corporation but in improving present programs—which I think are quite good already—and towards financing television?—A. Your figure of \$13 million would be—

Mr. SMITH (*Calgary West*): A nice little figure.

By Mr. Stewart:

Q. \$7½ million.—A. Would be very close to what we are thinking of in terms of a \$5 licence fee or the equivalent thereof.

Mr. FULTON: That would mean \$8 million more, would it not?

Mr. FLEMING: A \$10 licence fee would yield you about another \$5 million?

The CHAIRMAN: Are we to understand that Mr. Fleming is advocating a licence fee of \$10 and not \$5?

Mr. FLEMING: No. I meant doubling the present licence fee would give them about another \$5 million.

The WITNESS: The revenue last year was just under \$8 million. Doubling the fee would bring it just under \$13 million.

By Mr. Stewart:

Q. Assuming that you were to get that revenue would it be sufficient to tide you over, and also take care of your financial needs in regard to television?—A. It would not cover television. I am sorry that I missed your point. It would bring us a net of about \$15 million with our commercial revenue.

Q. Yes.—A. And with that we could do quite a good job on the sound broadcasting side and perhaps, if parliament wishes, we could use some of it to help television, but it would not be enough to finance television entirely.

By Mr. Smith (Calgary West):

Q. Mr. Dunton, they say—A. I have never heard the "Doctor" used outside of this committee, and I hope it is not used anywhere else.

Q. I tried to use it in your house once. Supposing your licence fee was increased from \$2.50 to \$5; how much more money do you think you would get with a 100 per cent increase in the individual fee? How much more money would you then get?—A. We simply took the amount being collected now and doubled it.

Q. All right, speaking practically?—A. I would think about double. I have heard the opinion expressed—there can be all sorts of opinions about it—that people would pay a \$5 fee just as readily, because it is something more obvious than a \$2.50 fee.

Q. In other words, we have not got a coin of that size.

The CHAIRMAN: Yes.

By Mr. Stewart:

Q. What does the witness think the corporation needs to do a really efficient job of broadcasting? Many of the staff of the C.B.C. have in mind \$13 million.—A. We think we could do a very good job for \$13 million. For an extra \$5 million over a period of years we could in the first place carry on

the present services and we could make a number of badly needed improvements. We still could not do everything that everybody wants, but we could, over the next few years, carry out a number of improvements that would make the service of more value to the country particularly in certain outlying areas, as well as in the way of general service to the public.

Q. Would you have sufficient means to form the basis of a national symphony orchestra?—A. We might. We have considered the project on several occasions but it raises a number of questions. We would certainly use more good Canadian music. But to what extent those funds should go to existing musical organizations, and to what extent we should establish an entirely new organization might need consideration and study. Perhaps we would not be able to do both. Perhaps we could make use of our present symphony orchestras to a greater extent as well as help them to develop more and perhaps in addition we might be able to form a new orchestra.

By Mr. Smith (Calgary West):

Q. If you had \$13 million, you could quit your commercial business altogether and give us a national broadcasting system.—A. We do not figure we could. Looking over a period of years, we would lose \$2½ million and in addition we would have space to be filled which was left by the commercial programs. To get a well balanced program schedule we would have to make provision for those popular types of programs which are the most expensive types of programs.

Q. Do you mean that you would have to go and pay those commercial people to give you their programs?—A. I do not think we would do that. But we would have to present a good variety of programs, and we would have to replace some of the good comedy programs and some of the good variety programs.

Q. You have no substitute for this entertainment. It is not highbrow, but it is entertainment which ordinary people like myself want.—A. They provide very good radio fare for a great number of people.

Q. For a great majority of the radio listeners.—A. In general.

Q. You cannot make highbrows out of us in a short time, can you?—A. We are not anxious to. We do not think it is our job.

Q. Your are the cultural people?—A. I very seldom hear the word "culture" mentioned around the C.B.C. We speak of a balanced program. We do not try to shove culture or anything else down people's throats. We think that people who want to hear good programs should have a chance to hear them.

By Mr. Murray:

Q. Would \$13 million help you to develop a Canadian theatre?—A. I think there is a very good corps of actors which has been developed through the National System. Whether the corporation should go into dramatic work in connection with stage presentations would be doubtful.

Q. And why not? A very important part of building a nation is to provide a theatre.—A. We have already done a lot in sponsoring actors and giving them a chance to develop.

Mr. SMITH (*Calgary West*): Could you not build some race tracks too?

Mr. MURRAY: We have lots of money to bet on the tracks, but nothing for the C.B.C. That is the situation.

The CHAIRMAN: We began somewhat earlier by saying that we would try to hold matters mainly into financial channels; but of course this involved other things as always. Programs in general were to be taken up as a subject in an endeavour to be as orderly as we could. You are bearing that in mind.

By Mr. Knight:

Q. Just one question which I think follows Mr. Smith's declaration. Mr. Dunton, don't you think that you have a responsibility in that very direction, in regard to raising the taste for music throughout Canada? If you ask an editor of a paper that question, sometimes he will tell you: "We are not running a Sunday School; we are running this thing for profit; and my business is to sell newspapers." Do you think it is your function, quite apart from that of the private stations, to attempt to raise the culture and the taste—excuse me, I shall leave "culture" out—to raise the taste of the Canadian nation in the matter of music?—A. We feel it is our job to give a chance for new—and if you like—higher tastes to develop. We do not think that we should try to see that the public are treated only to any one type of music or anything else. We think there should be a good selection of better music, drama, and broadcasting material available to the public so that those who like it can hear it, and so that new tastes for those things can develop.

By Mr. Smith (Calgary West):

Q. Do you think you can ever make anybody listen to so-called chamber music?—A. Some people do.

By Mr. Knight:

Q. You will admit they will never develop a taste for something which they do not hear?—A. Exactly. And we are quite convinced, from our experience so far, that a great deal of good material if made available to people draws new adherents. We found that experience with our Wednesday night programs. We have a great mail not just from university centres but from little towns in the Prairies and from fishing villages and all sorts of places saying: "This is wonderful stuff. Keep it up. This is just what we want."

Mr. MURRAY: Such as "Stage 50"?

By Mr. Fleming:

Q. I do not believe you have any program which is more popular than the Toronto Symphony Orchestra.—A. Some people have called that culture. But a great many people like it.

The CHAIRMAN: I respectfully suggest that we do not get into a discussion on tastes.

Mr. FULTON: We do not find that sort of object anywhere in the Broadcasting Act or in the Radio Act.

By Mr. Stewart:

Q. What would be the cost of an average Wednesday night? Let us say a Wednesday night when you put on an extra fine opera?—A. The cost of Wednesday night programs varies quite a lot.

Mr. BUSHNELL: We have a budget for Wednesday night programs for next year of \$150,000, and included in that we shall use a lot of B.B.C. Transcriptions and you will take them and like them.

Mr. SMITH (*Calgary West*): That is Prayer Meeting night.

Mr. BUSHNELL: Well, that is what the budget is. And remember, you have got to put on entertainment from 7.30 p.m. to 11.30 p.m. for the sum of \$3,000 and that for 52 weeks in the year. It is pretty skimpy going, let me tell you that.

Mr. SMITH (*Calgary West*): Thank God for that!

Mr. RICHARD: I think there is a very good program entitled "Square Dance Teaching" at 10.00 o'clock on Wednesday nights.

Mr. BUSHNELL: You can put on a square dance program for \$350 for half an hour.

By Mr. Fleming:

Q. May I ask a question relative to finance? Mr. Dunton, looking at the things which you say will need this additional money for, how do you rate them in priority?—A. It is hard to give absolute priority because it is hard to say whether you should have an improvement in a program or whether you should extend program service to an outlying area. One of the most immediate things is the extension of a network coverage to outlying areas which now have either no service or very poor service.

Q. Do you put that first? A. Yes, I think probably first.

Q. What do you estimate the cost would be? Have you got the costs?—A. We have done all sorts of estimating. I think that to do the more immediate things would cost around \$200,000 a year, I mean an annual expenditure of about \$200,000.

By the Chairman:

Q. That is in the nature of programming?—A. No; that would be purely extending existing network services.

By Mr. Stewart:

Q. Would that give adequate coverage to all Canada?—A. No. There would still be corners left uncovered. And it is also a question whether the English language areas should be sure to have both network coverage. The Dominion network does not go into Newfoundland. It is hard to decide between getting a second network into Newfoundland compared with getting some service into isolated areas, let us say, in Northern Ontario.

By the Chairman:

Q. You have had proposed to you by quite a number of people certain extensions which should be made. Mr. Murray has been speaking here today about suggested places where your service ought to go. Would you be able to file with us a list of these things which have been urged upon you from different parts of the country together with the probable cost?—A. Yes.

Q. I am thinking of what Mr. Murray has said and I know there has been a strong desire for something in some parts of Northern Ontario. Would you be able to make a list of those requests and file it with us?—A. Yes.

Q. I think that would be the quicker way of getting that information. And you could indicate the nature and the amount of the demands made upon you.—A. Very well.

The CHAIRMAN: That would be a quick way of us getting the information. It will indicate the nature of the amount of the demands made upon you.

The WITNESS: Mr. Fleming, close to that would be the extension of a second French network which earlier parliamentary committees have recommended.

By Mr. Fleming:

Q. How much would that be?—A. You cannot put a definite figure on it because the cost will depend on how good the service is. We could start with some sort of a service at a net cost of somewhere around \$250,000.

Q. These figures of \$200,000 and \$250,000 are the costs of an annual operation?—A. Of an annual operational cost.

Q. What about the capital outlay to begin with?—A. We have not estimated that accurately but, in the extension of a network the big item is the annual item—usually wire line costs.

Q. That would mean about \$450,000 so far?—A. Yes.

Q. What would be third?

By Mr. Stewart:

Q. Before you leave what do you think that \$250,000 would cover a second network adequately?—A. It would be an absolute minimum and not too good a service. It would be much better to spend more on it.

Q. It would probably increase; it certainly would not decrease?—A. No, that would be a minimum; and that would not be having our own key station. It would mean operating through private stations.

Mr. FLEMING: That is the net cost?

Mr. HANSELL: The net, per year?

The WITNESS: Yes.

Mr. GAUTHIER: For Quebec only?

The WITNESS: Yes. There are also extensions to the present French network to French speaking members of the public outside of Quebec—further outside than it extends now. That raises a very important question on the cost of news.

Mr. MURRAY: What is the cost for news?

Mr. FLEMING: May I suggest that we finish this. News is something different.

The CHAIRMAN: We are really in the middle of a question.

By Mr. Fleming:

Q. I just want to run through this. Having in mind that you are giving this in the order of priority as the board of governors sees it?—A. I would say that we have not worked out any actual order of priority but I am summarizing, I think, the feeling of the board and the management.

Q. I understand that there is nothing official about the order of priority but this represents your understanding of what the board regards as the order of priority.—A. Yes. Coming after that there is a general item of improved program services as a whole. That would be having better programs and more Canadian programs. We feel we have too many programs using records and perhaps too many programs from outside the country. That would cover the general heading of improvement of programs using more Canadian talent and using it better.

Q. How much would that cost per annum?—A. We would like to spend close to \$1 million on that. It is not an essential thing but the more you spend the better.

Q. That is a very elastic matter?—A. Yes, and programming is bound to be very elastic.

Q. Are there any other matters, or is that the end.—A. It goes on. We need a good deal of improvement of existing facilities across the country.

Q. Physical facilities?—A. Improvement and renewal of equipment.

Q. Yes?—A. At the rate of about \$100,000 a year for several years.

Q. That figure of \$1 million was per year?—A. Yes.

Mr. STEWART: This would be over and above depreciation charges?

The WITNESS: Yes, depreciation charges are on our books—it is not funded, it is a bookkeeping entry; but we are talking here of cash money.

Mr. SMITH (*Calgary West*): You only charge 5 per cent on equipment? That is not enough?

The WITNESS: It is not very high.

Mr. SMITH (*Calgary West*): And 2 per cent on buildings and fixtures.

By Mr. Fleming:

Q. And your fifth item?—A. We are not sure of the priority here but we will need new or improved facilities in several cities. I do not know just what will come first. For instance, we have just found in the last two or three weeks that we have to change our premises in St. John's, Newfoundland. It is a "must". We have to leave the hotel in St. John's and move into new quarters. Usually that is done at higher cost.

In several parts of the country we will likely be forced to move from our present premises and there will be the question of renting other space with improvements or actual building a place. In Vancouver that will very likely happen; and possibly in Winnipeg. Within a few years we should consider new facilities in Toronto. The present ones are not fireproof and not too adequate, although they will do for a time.

That has about the same priority as doing more and better production in different parts of the country—in regions. For instance, we have no production facilities in the province of Saskatchewan. We think we should have some production unit there. We would like to take more and better programs from the existing production plants like St. John's, Newfoundland; Halifax, Winnipeg, Saskatchewan and Alberta; and from British Columbia.

Q. And the amount?—A. The amount will depend a good deal on whether in some cases we will have to buy or build or whether we can rent premises. The increase in cost is somewhere around \$300,000.

Q. That is number 5; what would be number 6?—A. We have demands from all over the country for more information about what there is on the air. We spend now about \$250,000 on information. We would like to spend probably another \$200,000 a year on information in all parts of the country. As I say we have a number of demands for putting out more material.

Mr. STEWART: Do you mean something like *Radio Times*?

The WITNESS: We have *C.B.C. Times* but it is a question of whether we can increase the circulation of that or find other methods of improving the circulation.

Mr. SMITH (*Calgary West*): Through what mediums do you contemplate that? Newspapers?

The WITNESS: Newspapers, printed material, or whatever means we can find of getting information to people. I think this country is certainly behind Britain in the knowledge of what is available on the air. I think all broadcasters agree that one of the things that radio needs most to improve service is a better understanding among the listeners as to what is available during the week. A great many people like one type of program but they are not just sure when it is on.

Mr. KNIGHT: Is it not true that in Britain there is a set time for inquiry into the business of the B.B.C. whereas we do not do that here. Have they not got a regular committee over there? I am thinking of the public becoming better acquainted with their radio?

The WITNESS: No, they have a special inquiry once every five or ten years.

By Mr. Fleming:

Q. You are not speaking about that here. You are speaking about giving the public information?—A. Yes.

Q. And what about, number 7?—A. A form of research on listener wants or tastes. The B.B.C. has an excellent department using various methods to find out what people like, why they like it, in what proportion they like it, and we would like to spend \$200,000 a year on that. I think it would help a great deal.

The CHAIRMAN: I think it would be too much, because, only a short time ago you had a very good cross-section of the country discussing their various tastes here. Surely we are a good cross-section?

Mr. FLEMING: Pretty cross, all right, sometimes.

Mr. SMITH (*Calgary West*): I wonder if in that you are contemplating another government publication of some kind—like the *Labour Gazette*?

The WITNESS: No, now we have the *C.B.C. Times*. That is all we have in the way of publication. We would like to improve it and there are all sorts of ways of getting information to the public—one is by your own air but that costs money.

By Mr. Murray:

Q. Could you not have access to the government printing bureau?—A. I do not think there is any advantage in that.

Q. It is government owned, like you are; and you ought to be able to go in there and get your printing done cheaply.

Mr. FLEMING: Not cheaply.

The WITNESS: I do not think we would save any money.

Mr. FLEMING: A saving of money has not been our experience.

The CHAIRMAN: It would of course cost something; whether it were cheaper or not would be a question.

Mr. MURRAY: It ought to be cheaper.

Mr. SMITH (*Calgary West*): We have only 150 government publications. Why do you not add another? This is nothing at all; just \$200,000.

Mr. HANSELL: Can't listener requirements be pretty well ascertained by various organizations that keep records?

The CHAIRMAN: Elliott-Haynes is the name of one of them.

Mr. HANSELL: Yes. Is it not largely determined by the listening audience which you get?

The WITNESS: We find Elliott-Haynes is one instrument which is fairly useful. We think it is rather imperfect and we would like a better system of checking. We would like to know a rough estimate of the population listening, why they listen, and in some case why they do not.

Mr. HANSELL: I think the answer is obvious. They listen to certain programs because they like them; they do not listen to others because they do not like them.

The WITNESS: It would help us if we knew why some people did not like certain programs, why perhaps they like others.

Mr. SMITH (*Calgary West*): Put me down as disliking chamber music.

The WITNESS: We have you down in that regard.

Mr. MURRAY: The Gallup Poll would probably help you out.

The WITNESS: Yes, the Institute of Public Opinion will take surveys for you at a price.

Mr. STEWART: Supposing you wanted an adequate survey, what would it cost you?

The WITNESS: A number of thousands of dollars.

Mr. SMITH (*Calgary West*): Mr. Chairman, I think the committee should be told that I have never had an inquiry from Elliott-Haynes with respect to any of these public opinion polls; nor have I ever met anyone who has been asked. Perhaps my experience is unique.

Mr. STEWART: You meet one now; I was asked once.

Mr. GAUTHIER: I was also asked once.

Mr. SMITH (*Calgary West*): We have two "once-ers."

The CHAIRMAN: I am with Calgary; I was never asked.

By Mr. Fleming:

Q. How many copies of *C.B.C. Times* are printed and issued now?—A. About 8,000.

Q. And you contemplate increasing circulation of *C.B.C. Times* under item number 6?—A. Yes, or doing other things in the way of getting information.

Q. Yes, you might enlarge the form of it, and change it, no doubt, but do you contemplate an increase in the circulation?—A. We would like to see more people buying it at the price. There are now two editions, one from Winnipeg and one from Vancouver. We are trying to start one from Montreal—very likely French.

Q. Is it self-sustaining?—A. No, the cost now covers the actual printing and distribution of each copy, but it does not cover the original editorial cost. When we started, it replaced a variety of material that we were putting out. Other sheets were abolished and their cost went into the initial cost of this.

By Mr. Fulton:

Q. What is the basic cost which is not covered by charges for subscription?—A. About \$14,000 in the eastern edition and \$7,000 in the prairie edition.

Q. The basic cost of getting the thing out in the first place is what you mean there?—A. Yes.

Q. Per annum?—A. Yes.

By Mr. Fleming:

Q. We are up to number 7 which is listener research. Does that complete the list?—A. No, I gave a figure of \$200,000 for rather minimum expansion of coverage but, looking into the future, which we have not been able to do in detail, to make proper surveys, we will need some other forms of extensions—of service probably new transmitters or a re-arrangement of present transmitters—whichever would be the more advantageous, depending on the wavelength situation.

In the maritimes our coverage is not too good. It might be improved from CBA, if the frequency of CBA could be changed as a result of negotiations for rewriting the Havana Treaty. If it were not changed, it might be desirable to make some modification and put in a new transmitter somewhere in the maritimes. I cannot give an accurate figure but, after the first year or two of that extension, the coverage figure should be increased. I just cannot say how much—a certain capital cost, plus probably another \$200,000 or \$300,000 odd.

Mr. STEWART: The witness has given us eight matters already, but where would he rate, in order of priority, an increase for higher scales of fees to artists, musicians, authors, and even to C.B.C. personnel, if we are going to keep our best people in Canada?

Mr. FLEMING: That is number 3.

The WITNESS: Yes, I would like to emphasize that all I have been talking about in the last few minutes is improvement or addition to present service. That is quite apart from money needed to maintain existing service.

Your question would be answered: first, that we need increases to meet rising costs at present and in the next few years—that includes rising fees for artists, our own rising salaries and increments and so on. In addition we would

like to be in a position to improve quality and pay more money to more people who deserve it. That would come under item 3 and general program improvement, where I mentioned the figure of \$1 million a year.

Mr. STEWART: That program improvement would be really to bolster fees and salaries rather than the programs per se?

The WITNESS: I think it would be both. For one thing it would be a help in keeping people with us through being able to offer them more money, more artists on single programs, more programs using Canadian artists, and also we would be able to use them better. Our producers could spend more time with them, there would be more rehearsals, and in some cases bigger orchestras. In other words, there would be a general improvement in quality.

Mr. FLEMING: What would be number 9?

The WITNESS: We are getting down to the end?

Mr. FULTON: Miscellaneous and sundries, I guess.

The WITNESS: Yes. That would depend in particular on how the general financial situation worked out. Our working capital position should be increased. If general business changes very quickly our working capital is not large enough and it should be built up because at the end of each year we are apt to run into a shortage of cash. We feel that a corporation like ours should have a larger reserve to provide against sudden drops in revenue.

By The Chairman:

Q. I suppose it costs you quite a bit of money when you have not got working capital? I refer to the rent of money?—A. Not very much, because we cannot borrow; each year we try to scrape by.

Q. Do you mean to say that you never have an overdraft?—A. No.

Q. Well, just a moment. How do you get a deficit? Do you mean that you are \$43,000 short and therefore that you are not buying something, or do you mean that you have spent \$43,000 more than you got in?

Mr. FULTON: A lot of that is depreciation which they would not actually spend?

The WITNESS: It means that we spent \$43,000 more than we got in. What we have in the way of assets and reserves are cut down by \$43,000.

By The Chairman:

Q. So you did have a pile into which you went? You have never received any depreciation money as such?—A. No.

Q. But you have written it in a book that you had it?—A. We have various assets in varying degrees of liquidity.

Q. I see. What you do is to cash a bond, perhaps?—A. Yes.

Q. You really can then, for a little while, support a deficit?—A. We have had deficits in several years.

Q. And you have been supporting these deficits?—A. Yes.

Q. Can you support a \$900,000 deficit?—A. No.

Q. Have you got that much put away in the sock?—A. No, we could not pay our bills at the end of the fiscal year.

Q. Then you would have to get an overdraft or rent money some way?—A. Yes, and there is very little provision in the Act for us borrowing money.

Q. Then I said to you that being short of money costs you money. Those moneys that you were describing a short while ago as going out of reserve, were until then interest bearing?—A. In some cases, but in some cases it amounted to not putting money into bonds when we would otherwise have put it there, and thereby losing interest.

Q. So it really does cost you money whenever you are short? You do not rent it directly, but you do fail to get rent that perhaps the King or somebody else would pay you for a loan?—A. That is correct.

By Mr. Smith (Calgary West):

Q. Did not either you or Dr. Frigon last year—and my memory is very hazy—say that you had quit writing off depreciation?—A. No, I think it was about three years ago. We stopped simply because we were so short of money that it did not make very good sense. However, it was the opinion of the Auditor General that we should take some depreciation and we established very low rates and are taking it each year.

Q. It seems to me that in some committee in years gone by, Dr. Frigon said that you did not charge up any depreciation on your assets, and you were therefore using that money for current obligation.

The CHAIRMAN: I think it was about three years ago; and you are right.

The WITNESS: I do not know whether it was expressed that way but it was reported in at least one year that we did not charge any depreciation.

Mr. SMITH (*Calgary West*): In other words at that time it might have made your balance sheet look different. Instead of making a charge to depreciation, you had used the money for current operations. I have some memory of that?

The WITNESS: Yes.

The CHAIRMAN: There was quite a discussion.

By Mr. Smith (Calgary West):

Q. You are charging 2½ per cent on your pictures?—A. Yes.

Q. And 5 per cent on equipment.—A. Yes.

Q. For the major portion of your equipment; is that not an awfully low rate? In other words it would take twenty years to exhaust whatever instruments are involved?—A. It is not a very high rate. I think a private operator paying income tax would charge a good deal higher.

The CHAIRMAN: I do not think it is in accordance with truth; that material will not last twenty years?

The WITNESS: I think that some of it will.

The CHAIRMAN: Depreciation is intended to be a statement of the truth—that is its whole design.

Mr. FULTON: Do you not have to try to distinguish between depreciation and obsolescence? Perhaps it might not be depreciated fully but it might be obsolete?

The WITNESS: Yes, but that is a hard thing to gauge. We have a 50 kilowatt transmitter put up in 1938 which is still worth its full price, and probably more than when it was put in.

Mr. SMITH (*Calgary West*): If you were paying income tax you would pay on the increase under this matter of diminishing returns. You know that, don't you?

The WITNESS: I have not tried to work out the new provisions.

By Mr. Fleming:

Q. Have you finished the list? You are up to number 9, working capital, but you did not put a figure on that?—A. \$200,000 for working capital; that is to build up for several years.

Q. That is if you get all these other things done and go ahead on it?—A. Yes.

Q. No. 10?—A. Looking further into the future, and this would depend to some extent on the general development in the country, you should consider extending the dominion network and the second French network; more hours of operation and a broadening out of the time of operation, because the dominion is almost entirely network operation.

Q. And the cost of that would be?—A. The cost would be about \$600,000.

Q. Annually?—A. Yes.

Q. These are all annual figures?—A. Yes.

Q. I asked you about capital outlay, that first figure you gave me was the capital outlay involved in this?—A. No, not the rate I mentioned. What I referred to there, the transmitter, that would be but a guess—about \$3 million for transmitter equipment, capital expenditure.

Mr. STEWART: That would be outlay, for one thing.

The WITNESS: Yes, that is capital cost. These had to be very wide guesses, estimates, because as I explained in a number of instances they cannot be determined without very careful study; but the actual cost would probably be about \$3 million.

By Mr. Smith (Calgary West):

Q. We have been talking about the line service that we buy from the railway companies, the telegraph service. Is there much difference in the price paid that only involves transmission in the evening and a service which runs for the whole 16 hours? I was wondering if you were getting any value for the non-use time of the telegraph lines, and if it made any difference?—A. The arrangement with the wire line companies is for a flat service; in the first place for the basic service, including the 16 hour service between certain points, while the services in addition to that are duplicate services that are at another rate, and the rate varies according to the time of the day and the extent—may I put it this way, the 16 hour service is the basic contract. With the other increase to full service would cost less extra than the proportion of 16 to 6.

Q. Does your arrangement with them as to hours of broadcasting on the dominion network permit of your having more time on the wire should you need it?—A. Yes.

Q. And would it be fair to assume that those wires are not in use during the time you are broadcasting over these lines?—A. I do not think we can tell. That is a matter for the wire line companies.

Q. I thought maybe you knew?—A. No.

By Mr. Fleming:

Q. No. 11, Mr. Chairman.—A. I think that covers the chief headings of extra services. I would like to emphasize again that these are all in addition to any needed to keep the present services and facilities going.

Q. I reckon the total of these new increases at three-quarters of a million dollars. Does that approximate your arithmetic on that?—A. Yes.

Q. And the capital outlay for these expenses and improvements would total about \$2 million?—A. I think I gave you a figure of \$4 million for studios and so on.

Q. I remember you mentioned that was in addition to the \$2 million for the transmitters?—A. Yes.

Q. And the \$6 million capital outlay and the increase required to make the improvements and extensions would mean an increase in your annual charges of \$3,750,000?—A. Yes, roughly; but then we calculate that the general increase in costs of existing services now, over a period of 5 years, would be about \$3,500,000.

Q. Do you mean it would be that, or up to that?—A. I would have to check on that—about \$4 million.

Q. \$4 million approximately just to maintain the existing services?—A. It would rise to that after about 5 years.

Q. That is to say at the end of 5 years if you had this amount of money your annual operating costs would be up by \$7,500,000, and in the process you would have to meet certain items of a capital nature?—A. Yes, I must have forgotten something. We estimated about \$7 million capital altogether.

Q. Well, you gave me \$2 million and \$4 million.—A. Yes, I am not sure what it is. Our over-all figure we think of, \$7 million is shown there. I haven't got the detailed figures. It includes studio facilities and new properties.

Q. Between \$6 million and \$7 million?—A. We think it is very important. We are trying to take a look at the years ahead and each of these projects would need very careful study.

Q. Well now, if you had an increase of something over \$5 million per annum of income, such as you have asked for, would you start on all of these projects at once?—A. No. We would be cautious about it. I think one of the immediate things we would do would be to improve and extend our coverage in areas where it is lacking or nearly lacking now.

Q. That would be one of the first things in order of priority?—A. Yes.

Q. But over a period of 5 years you would have made all the extensions and improvements on this first, is that it, according to your plan?—A. Yes, pretty well. We could not be sure, for instance, whether we would have our new building in Toronto in use for that time. There would be a very good argument for the building to be started at any rate before the end of the 5-year period.

Q. And during the first several years of the 5-year period, before you brought all these improvements and extensions into being, you would be accumulating some surplus year by year?—A. Yes, that surplus would enable us to meet some immediate capital improvements out of revenue and pay out some of our loans and reduce our carrying charges and enable us to borrow later as we needed it.

Q. I want to be quite clear, none of this has any bearing whatsoever on the development of television?—A. That is right.

Q. It is absolutely separate and in addition?—A. That is right.

Q. Just to turn over to the other side of the account, it might not be something that you would like to contemplate, but suppose you did not get the additional revenue that you are asking for and were faced with this imposing deficit during this current fiscal year, what would you do? What would be the things in order of priority that you would have to undertake?—A. We don't quite know yet.

Q. Let me say at once I can understand you not wanting to think about that, but you have made it quite clear in your evidence this afternoon that you have taken no steps to improve the services yet?—A. No.

Q. I was wondering if the Board of Governors had faced up to the question of what they might have to come to if additional money which you are asking for is not forthcoming?—A. Not in specific terms, but in a general way we would have immediately to cut out a number of programs, direct program expenditures to a very heavy extent, seriously reducing the number of Canadian programs and the quality of those that remain and the use of artists. We would also have to discharge quite a number of the staff; and at this point I do not know where we would start. I think the only way we could do it would be to cut some whole departments. What those would be, I do not know. Then we would have to cut or reduce our coverage in some of the areas which are not basic under our wire line contracts, and that would involve quite a considerable saving because of the number of people who service them.

Q. It would be fair to say that you have not attempted to look at the different items of expenditure, as a result no doubt of your table of income

expenditures, to find out just where that \$900,000 would have to be taken off?—A. No. They are items of importance in our present expenditure figures which we would have to cut if parliament says the income basis is not going to be changed. Our big item of expenditure is programs, fees to artists and salaries.

By Mr. Hansell:

Q. I wonder if Mr. Fleming would mind my asking a question at this point? Mr. Fleming has been referring to expenditures. I have before me the magazine which the C.B.C. publishes. It is very interesting and I may say that to me it has been quite valuable in my own personal appreciation of radio. I was wondering now, Mr. Dunton, if you could tell us whether the C.B.C. has given any consideration to cutting down its expenses by putting in its own printing plant. I do not mean just for putting out this publication alone but I mean for everything you have to do, even in your letterheads.—A. Would you just let us have a minute to check up on that.

Mr. FLEMING: Would that not be coming to us in the breakdown you are preparing on these figures?

The WITNESS: Yes.

Mr. HANSELL: Then I will leave that question for the moment.

The WITNESS: The total for printing and stationery for the fiscal year 1948/49 comes to \$143,000. That includes all printing of every kind including stationery.

By Mr. Hansell:

Q. Have you ever considered the advisability of sitting up your own printing establishment?—A. It has been considered, but I think on the basis of the study made we found that it would not be an economy because we have such a great variety of printing material, different types of material to be printed, and to have a print shop that would be capable of handling such a wide variety of material would mean a very big capital investment. It would be cheaper for us to be able to shop around for the different types of printing we need.

Q. Of course, I don't know much about the details of that, but I do know this that there is money in printing; and I do know of several very large manufacturing concerns, one of them is a packing plant, that have their own printing establishments and they claim they are able to save a lot of money in that way.—A. We do some of our own office printing by the offset process in Montreal, but that would not cover the publication type of work.

Q.—I think they include everything.

By Mr. Fulton:

Q. Could Mr. Dunton give us an idea of the cost of installing one of these low power relay stations—what it would cost?—A. The capital cost would be about \$2,500.

Q. What is required in the way of maintenance?—A. It would be a great advantage if they had it near a repeater point. Do you want the annual costs?

Q. Yes.—A. Mr. Oliver could give you that.

Mr. FULTON: Let us take a place along the main line of one of the railways, let us say the main line of the C.P.R., one which is served by the C.P.R. Telegraphs, a main line wire station; could you give me that approximately? I can name you a locality if you would like me to, but without giving the name could you give me an idea?

The WITNESS: You had better name the locality.

Mr. FULTON: Well then, take Salmon Arm.

Mr. OLIVER: I do not think we have a repeater at Salmon Arm.

Mr. MURRAY: Well then let us say McBride.

Mr. OLIVER: I do not think there is a repeater up at McBride either.

Mr. FULTON: Can you give us an idea of what it would actually cost?

Mr. OLIVER: The installation of the transmitter itself, \$2,500; the maintenance charges would vary between \$1,000 and \$5,000 a year depending on the location.

Mr. FULTON: Would that be the total cost?

Mr. OLIVER: The annual charge would be up to \$5,000.

Mr. FULTON: That would be the annual charge?

Mr. OLIVER: Yes.

The WITNESS: I have the McBride figure here.

Mr. MURRAY: That would be interesting.

The WITNESS: At McBride you would have an annual cost of \$6,600.

Mr. FULTON: Have you the figure for Salmon Arm?

Mr. MURRAY: Those stations on the Caribou Road didn't cost that much, did they?

The WITNESS: \$4,855 for Salmon Arm.

Mr. FULTON: That is the annual charge?

The WITNESS: Yes.

Mr. HANSELL: Is that what is known as a booster station, a repeater station?

The WITNESS: It is a non-attended repeater point transmitter.

By Mr. Smith (Calgary West):

Q. Before we get too far away on this question of repeater stations, assuming that your estimates of potential revenue are correct, what is going to be the annual loss in the operation of the C.B.C.?—A. To meet the deficit, the gap would rise to about \$3,300,000 in 1955/56 on the basis of the present licence fee.

Q. And that is the annual deficit?—A. Yes.

Q. All right, now have you any idea as to what amount would be required annually to put your corporation on a sustaining basis, to bring it out of the red. Have you any idea of that?—A. The figure I gave you assumes maintaining the present services.

Q. And you would not be able to make any improvements on that basis?—A. No.

Q. No. Have you any idea how many millions it would take to make the necessary improvements that would permit you to come out on an even keel let us say 5 years from now?—A. I cannot get my mind around the matter of the lump sum payment to us because the essential thing is the money coming in each year and the money going out each year.

Q. But capital improvements earn more revenue?—A. Yes, but not in our case, particularly the ones that I have mentioned. Not only would they not earn a cent more money but in many cases they would bring new expenditures with them.

Q. And that would cost more money?—A. Yes.

Q. In other words as you see the operational picture of the broadcasting corporation at the present time all you can see is annual losses ahead of you unless your revenue is very substantially increased?—A. Yes.

Q. And the only suggestion you have is to increase the annual revenue by raising the licence fee?—A. I only suggest that because that is the only means of obtaining revenue open to us. Other people may have quite different ideas.

Mr. STEWART: I suggested one a short while ago.

By Mr. Smith (Calgary West):

Q. I think we could look forward to every increasing deficits unless the licence fee is increased.—A. Or unless we cut the service.

Q. Quite.—A. And we would not want to do that.

Q. Well then, let me put it another way; you have no revenue except these three sources; the licence fees, commercial broadcasting and the possibility of an annual grant from parliament. That is all the revenue you have and you do not see any potential increase from those sources?—A. Of course there could be combinations of those I suppose, by a grant given on some kind of a statutory basis; or, as Mr. Stewart has suggested, a combination of those.

Q. But as the corporation sees it now, looking this thing squarely in the eye, they are facing a deficit unless one of these three sources of revenue which I mentioned is increased?—A. Yes.

Q. Isn't that what it amounts to?—A. Yes.

By Mr. Fleming:

Q. I suppose it goes without saying, Mr. Dunton, that the Board of Governors faced with this deficit have examined the whole system to insure that the system is operating as efficiently and as economically as possible?—A. Yes, and I would like to say that I think, and I believe that the whole Board thinks, that our management has done a very good job in keeping costs down. They have had to cut all sorts of corners to keep the expenditures down I think to quite remarkably low levels without cutting the services too much. On the other hand things have been kept on such a spare basis that in many cases they are a bit too spare to allow for good work on some things. Some of the people who have to bear the responsibility think that too many things are being skimped. I think the Board has considered this very carefully, that the Corporation is being managed very economically, in many cases too economically for the good of the service.

By Mr. Fleming:

Q. I see that your administrative cost rose from \$386,000 for the fiscal year ending March 31, 1949, to \$417,000 for the fiscal year ending March 31, 1950. I don't want the details on that now because you will be producing a breakdown of that, but would you care to make a comment on that in relation to my former question.—A. That would be mostly general increase in salaries, and in some cases, to some extent, by reason of the increased responsibilities of the Corporation; for instance, Newfoundland has been taken in and that has made a general increase which is all reflected to some extent in administrative expenses.

Q. Have you a breakdown, as far as Newfoundland is concerned, of the expenses of assuming the operation of that system?—A. That is not here but we can get that for you.

Q. I don't ask for it now but I would like to have it some time, if you would care to prepare a statement on it and give us some mimeographed copies for a later meeting. We would appreciate it.—A. I can give it to you very generally now.

Q. If you prefer to make a statement, perhaps it would be more satisfactory, and you could have it mimeographed and let us see it before a later meeting.

The CHAIRMAN: Are there any other questions?

By Mr. Richard:

Q. Do you pay copyright fees?—A. We certainly do.

Q. How much do they amount to?—A. To CAPAC, it amounts to about \$150,000. We paid that amount to the CAPAC association last year alone. Our total fee to Performing Rights—

Q. Copyrights, yes.

By Mr. Smith (Calgary West):

Q. You deal with this Performing Rights organization, do you?—A. Our total expenditure for performing rights last year was just under \$300,000.

By Mr. Richard:

Q. It was not paid to the same source. It was paid to two organizations?—A. Yes. We paid BMI \$17,000. And the other one is the Canadian Performing Rights Society.

Mr. BUSHNELL: Canadian Authors and Publishers Association. And there are other societies which come in for literary works. The two we have together control the major music. But that only controls, as a matter of fact, small rights. If we want to perform some of the Gilbert and Sullivan operas, or any of the standard operas, we have to pay additionally what are known as Grand Rights.

Mr. RICHARD: That is all included in the \$300,000?

Mr. BUSHNELL: Pretty well, yes.

Mr. MURRAY: Are all musical compositions pretty well copyrighted?

Mr. BUSHNELL: Yes. But there are some things which are in the public domain. However, some small publisher will get hold of them and change two or three notes in them and you have to pay him if you use the new format.

Mr. MURRAY: Even for very old songs?

Mr. BUSHNELL: Yes. Quite a number of them are copyrighted.

Mr. MURRAY: You mean that somebody makes a revenue out of them?

Mr. BUSHNELL: Yes.

Mr. MURRAY: That is very enterprising. I suppose that music is about the only thing to which that applies. Any kind of public invention is only good for 21 years.

Mr. RICHARD: No. An invention is good for 17 years.

Mr. MURRAY: Are the lyrics equally protected?

Mr. BUSHNELL: Yes, sir.

Mr. MURRAY: Things which were written one hundred years ago?

Mr. RICHARD: No. The life of the author and 50 years thereafter.

Mr. MURRAY: That might amount to 100 years, if the author lived 50 years after he wrote the material and has been dead for another 50 years. It does not seem right that the old Canadian chansons should be subject to a profit to some company which goes and gets the copyright on them.

The CHAIRMAN: The formula for getting it is to think up a couple of notes which will go in well.

Mr. MURRAY: It still does not make sense. I think it is a very bad thing that there should be revenue taken from these beautiful creations when you consider that probably the author got nothing out of them.

The CHAIRMAN: I suppose that includes versions of the Bible; that would be so.

Mr. MURRAY: Do you mean to say that you would pay royalty on such a thing as the Twenty-third Psalm?

Mr. BUSHNELL: It depends. If the words of the Twenty-Third Psalm have been set to a special tune, and it is published by a publisher, then you have to pay if you use it.

Mr. MURRAY: Such a thing as The Lord's Prayer?

Mr. SMITH (*Calgary West*): Do you mean to say they pay on that?

Mr. MURRAY: They exact tribute every time you use the Lord's Prayer.

Mr. BUSHNELL: No. We pay 7 cents to CAPEK and a fee to the BMI.

Mr. MURRAY: That is almost pagan. It is not Christian. It is extortion.

The CHAIRMAN: I think Mr. Fleming and I should collaborate and get a copyright.

Mr. MURRAY: Get one on the book of Isaiah.

Mr. SMITH (*Calgary West*): Oh, there are parts of the book of Isaiah that you could not put on the air.

Mr. MURRAY: Yes, and there are other parts of it which should be put on the air and widely distributed.

Mr. HANSELL: What would you have to pay for some of those operas?

Mr. BUSHNELL: At the present time there are four Gilbert and Sullivan operas in the public domain.

Mr. HANSELL: What do you mean by that?

Mr. BUSHNELL: I mean there is no copyright fee to be paid on them. They are free. We did a cycle of 13 Gilbert and Sullivan operas, therefore we had to pay Performing Rights on the other nine. The fee varies with the length of the performance and according to the number of stations carrying the performance. I am just trying to recall it from memory but I think the fee is something like \$300 per performance.

Mr. MURRAY: Take "Oh Canada" for instance; is there any copyright on that?

Mr. BUSHNELL: Certain versions of "Oh Canada" are controlled by certain publishers and they are included in the 7 cents or such fee as we pay to BMI.

Mr. FLEMING: What will it cost the Canadian Navy?

Mr. BUSHNELL: I do not think the government recognizes the Performing Rights Society.

Mr. MURRAY: What about "Alouette"?

Mr. BUSHNELL: We pay a contribution on that.

Mr. FLEMING: What about "Home on the Range"?

Mr. MURRAY: What about those new songs like "If I knew you were coming, I would have baked a cake"?

Mr. RICHARD: Only a few organizations control all these copyrights. They represent themselves as agents for all of them. The ordinary individual has no chance.

Mr. MURRAY: Are there any authors among them who control these copyrights?

Mr. BUSHNELL: Almost any reputable author will subscribe to one or other society because that is the only way he has of collecting anything. We would be in very serious difficulty if we had to deal with the individual author for the use of each piece. So I think there is merit in the idea of a Performing Rights Society. And the simple fact is that the rate is set by the Copyright Appeal Board.

Mr. MURRAY: That would apply particularly to the scriptural things?

Mr. SMITH (*Calgary West*): A commission went across Canada a few years ago and challenged the Performing Rights Society. The result was that we got it consolidated and on a basis that worked.

Mr. BUSHNELL: Our rate has gone up very much since those days.

Mr. FLEMING: When was it revised?

Mr. BUSHNELL: Three years ago.

Mr. SMITH (*Calgary West*): You spoke of "Oh Canada". Are there different fees for different versions of "Oh Canada"?

Mr. BUSHNELL: One publisher may own the right to one version and another publisher may own the right to another version and both publishers may be members of B.M.I. So we pay for the repertoire and not for the performance. As I have said, the fee is fixed by the Copyright Appeal Board.

Mr. STEWART: What is the effect of financial stringency on your production staff as compared, let us say, with the producers in the B.B.C. studios? Over there a man may have a job to do. He is given time to think about it. The job may not culminate for three months. He may only be producing one program a week. What is the situation with respect to C.B.C. producers?

Mr. BUSHNELL: I would say the situation is this: we have such a limited staff that it is very seldom that any producer produces less than three programs a week. We could probably use Mr. S. E. Young as an illustration. He is one of our best producers in Toronto. I could name equally good men in Montreal. Mr. Young is doing five to seven programs a week. I say that it cannot be done from an artistic standpoint. It simply cannot be done. But we have that limited staff and he has to do it.

Mr. FLEMING: You have some knowledge, I take it, of the way private stations operate. You would not say that they operate quite on the basis described by Mr. Stewart, giving a man so many months in which to trim up a program?

Mr. BUSHNELL: Certainly not.

Mr. FLEMING: That is not a fair picture of what goes on in private stations?

Mr. BUSHNELL: If I may be slightly critical of the BBC, while I have the greatest admiration for them, I think they are over-doing it. There are certain major programs as to which a man gets an idea; he has to have a script written; he has to do a lot of research on it. I am sure that two or three such programs might well take two or three months to prepare and produce properly.

Mr. STEWART: Take the BBC programs at Christmas. They are a big job.

Mr. BUSHNELL: Yes. And as a program man in this country I say that we would never be able to afford it.

The CHAIRMAN: As the discussion has been going on I have been taking down notes of what I thought would be subjects for discussion and question. I did not note finance because that was what was going on. I may be wrong, but it seems to me that the examination of a purely financial nature has about come to an end.

Mr. HANSELL: Not until we get all the statements, Mr. Chairman.

The CHAIRMAN: I meant in so far as tonight is concerned. I do realize that when certain statements are filed, they will probably be the subject of questioning. One of the words I wrote was "programming"; and it seems to me that what is happening now is that we are shading right into that. Another word I wrote was "television". I realize there will be inquiries desired into the Ford Building in Montreal. I mean the purchase of it; and that involves the estimates that have been referred to us, which also involve the same thing. I do not know whether there are many other subjects, but I might add one other thing: that it is understood that we want to ask some questions of the Transport officials.

Mr. FLEMING: There are a few questions I would like to ask on the control features applied to private stations.

The CHAIRMAN: Relations with Private Stations.

Mr. FLEMING: Yes, and I have a few things about the present position with reference to wave lengths.

The WITNESS: In what respect?

Mr. FLEMING: To bring us up to date on our international rights.

The CHAIRMAN: Yes, that is not far removed.

Mr. MURRAY: Might I ask, Mr. Chairman, before going on with this, about the beaming of broadcasts from Canada? I understand that some excellent work is being done there.

The CHAIRMAN: That comes under the Estimates which have been referred to us. That is partly why they have been referred to us.

Mr. MURRAY: And the cost of it.

The CHAIRMAN: Those estimates referred here bring that subject up to date.

Mr. MURRAY: I think that is very valuable work.

The CHAIRMAN: I want to see if there is any other subject.

Mr. FLEMING: One other would be comments on the changes and regulations since we last met three years ago.

The CHAIRMAN: Yes.

Mr. SMITH (*Calgary West*): Before you take up those sub texts, if we go into this question of the C.B.C. and the private broadcasting people, we are going into something with which we are not at the moment competent to deal and something which has already been discussed ad infinitum and perhaps ad nauseum before the Massey Commission. What in the world we are going to accomplish by a lot of time spent on that is something beyond my comprehension. And I think that might apply to one or two of the things mentioned by Mr. Fleming a moment ago. If we are going to go into these things, there is no use in just taking a bite out of them. We must go into them pretty thoroughly.

The CHAIRMAN: Let me say to Mr. Smith and to Mr. Fleming that when I mentioned those subjects I did not mean to say that those are subjects to go into. I only wanted to draw to the attention of the committee that some people had the idea of speaking on some of those subjects. But it is for the committee to decide whether or not we shall take up some of them.

Mr. SMITH (*Calgary West*): Mr. Fleming tells me that he has not in mind the things which I had in mind.

Mr. FLEMING: I was the one who suggested the subject of control. I want to make it quite clear that I have not changed the view I expressed this afternoon. Unless some new members of the committee want some information on the particular subject of the system of controlling broadcasts, I do not propose to go into it. I had one or two questions which probably could be classified under the alternative heading you suggested of "Relations with Private Stations"; and I wanted to ask about some new stations and wave lengths approved by the Board.

The CHAIRMAN: There is one other matter that I wanted to comment upon. I think we have decided actually that we should go and visit the works in Montreal at a certain time. That is another thing. My reason for mentioning these various subjects was for the purpose of the Steering Committee, so that we shall know if a matter will be taken up. We might perhaps decide now what we shall go into tomorrow morning. Perhaps you will continue with "Programming", but I do not think that would take all the morning.

Mr. FLEMING: Are you going to sit longer tonight?

The CHAIRMAN: I have a note which says: "We presume this is a two hour and not a three hour sitting. We are not members of either of the CAPAC or of the

B.M.I." This is signed by the press. I do not know. It may be a pressure group. But there you are!

Mr. MURRAY: May I divert for a moment?

The CHAIRMAN: Please wait until we settle the matter. After tomorrow's meeting we shall get the Steering Committee to decide when these matters will come up. But tomorrow, and continuing so far as we do continue, we shall discuss the question of programming. Is that agreeable? Agreed . . .

Very well. Now, after that we could take up whatever has to be taken up with the Transport officials. Is that all right Mr. Caton?

Mr. CATON: Mr. Chairman, we have not exactly got all our material ready. We are still working on statistics.

The CHAIRMAN: There is a man from television here. We might go on with it now.

Mr. FLEMING: Why don't we start fresh tomorrow morning with television and go through it, if the man on that subject is here?

The CHAIRMAN: Yes. He is Mr. Ouimet. Is that agreeable then for tomorrow morning? All right. That will certainly take all the morning and the Steering Committee will settle on the other matters. We have not adjourned yet. Mr. Murray wants to ask a question.

Mr. MURRAY: Mr. Chairman, I merely want to make the statement that I have just heard that Dr. Ira Dilworth is now in the Ottawa Civic hospital suffering from thrombosis. He is the gentleman who has been so very active in beaming those broadcasts to foreign countries. He comes from British Columbia and I have known him for a great many years. If he is suffering from a heart condition, from thrombosis, very likely it was brought about from his very devoted service to the C.B.C.

The CHAIRMAN: Might I ask the chairman of C.B.C. if this can be worked out: during the flood disaster in Winnipeg the radio gave exceptional service.

Mr. STEWART: Hear, hear!

The CHAIRMAN: It would have been a terribly badly disorganized place without radio. And what I have said applies to all the private stations and it applies at least equally, I would say—I do not want to make any invidious comparisons—but it certainly applies to the C.B.C. Every person in the radio world gave us just remarkable service. I am sure that much distress was prevented by the service of the radio, and that a great deal of the information given out resulted in the saving of property and so forth. I imagine that the C.B.C. could place on the record pretty well what those services were and actually, I think it would be well if we had it on the record. And I think the C.B.C. could probably get a similar statement from each of the private stations. I think it would be an excellent thing if that were put on the record because I do not think Canada should be at a loss with reference to this knowledge. So if something of the sort I have mentioned could be worked out and put on the record, it would be here as a lasting monument to this industry. I am sure you can work that out for the C.B.C. and you could get information from the private stations. I am sure they would be able to tell you what they had done and that sort of thing. I do not think any of them need feel any embarrassment about colouring a little the service performed because they cannot colour it to the point where they would be improperly boasting. They could not be improperly boasting at all. I see that it is now 10 o'clock. I am afraid of that pressure group, so I think we had better adjourn.

The meeting adjourned.

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SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE
ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

FRIDAY, MAY 26, 1950

WITNESS

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

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

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on
RADIO BROADCASTING

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Clerk: ANTONIO PLOUFFE.

MINUTES OF PROCEEDINGS

FRIDAY, May 26, 1950.

The Special Committee on Radio Broadcasting met at 10 o'clock. Mr. Ralph Maybank, the Chairman, presided.

Present: Messrs. Decore, Fleming, Fulton, Hansell, Henry, Kent, Knight, Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Robinson, Smith (*Calgary West*), Stewart (*Winnipeg North*).

In attendance:

From the CBC: Messrs. Dunton, Bushnell, Olive, Ouimet, Weir, Fraser, Palmer and Young.

From the Department of Transport: Mr. Caton.

As agreed at the last meeting, the Committee proceeded to consider the question of television.

Mr. Dunton was called and examined. He was assisted by Messrs. Ouimet and Bushnell.

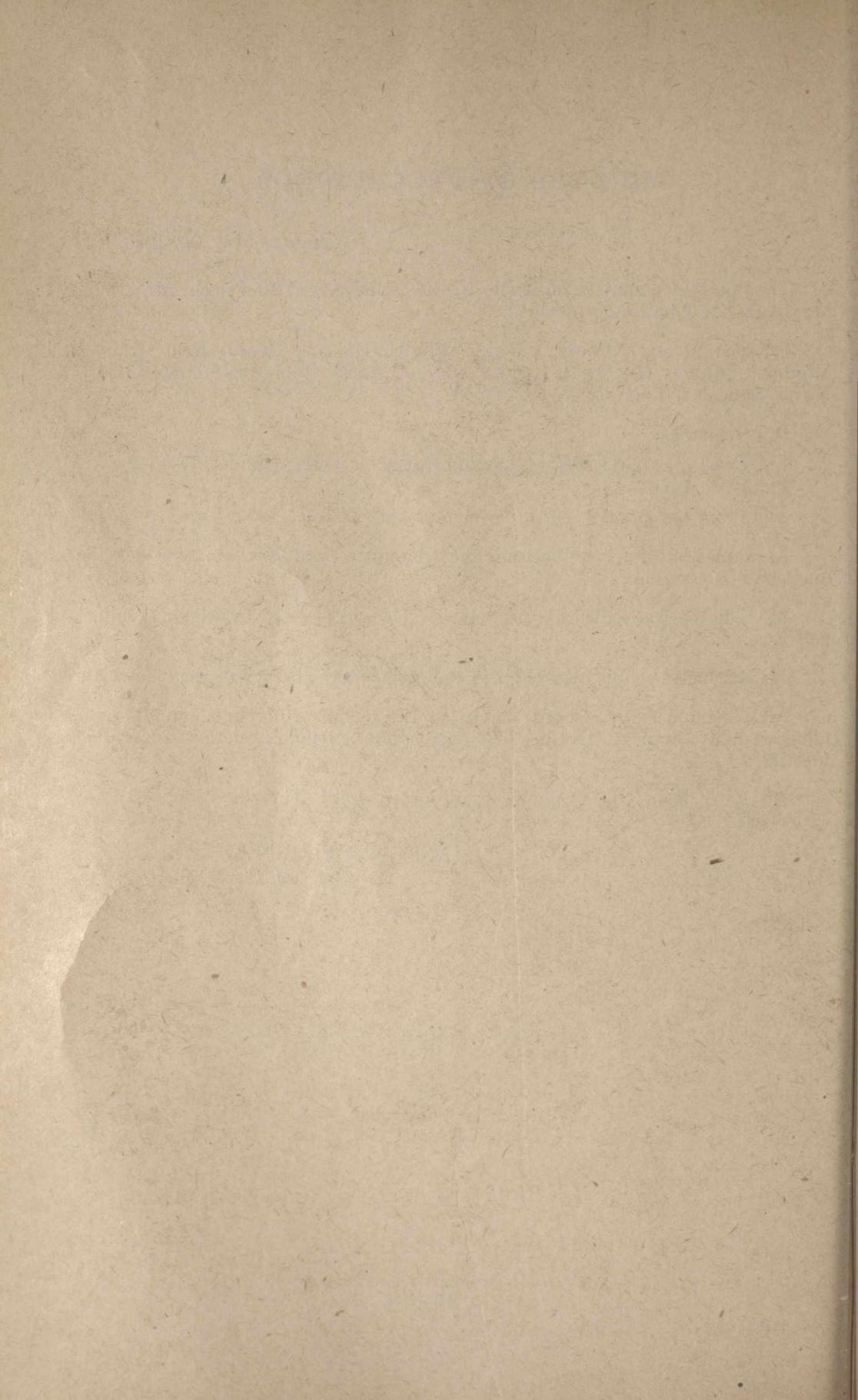
Mr. Richard occupied the chair in the momentary absence of the Chairman.

Mr. Fleming expressed his thanks to the members of the Committee for allowing him to put all his questions first before attending another Committee meeting.

At 12 o'clock, the Committee adjourned until Thursday, June 1st at 11 o'clock.

ANTONIO PLOUFFE

Clerk of the Committee.



EVIDENCE

HOUSE OF COMMONS,

FRIDAY, May 26, 1950.

The Special Committee on Radio Broadcasting met this day at 10 a.m. The Chairman, Mr. Ralph Maybank, presided.

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

The CHAIRMAN: Gentlemen, I see a quorum. The subject of television was opened up by Mr. Dunton and we arranged yesterday that this morning's session would be on the subject of television until, at any rate, we feel we would like to turn to some other subject. I have no doubt there will be thousands of questions on this matter. Whoever speaks first will have the right of way, of course.

Mr. FLEMING: I do not want to appear to be monopolizing the questions, but unfortunately I have another committee meeting to attend at 11 o'clock, Old Age Security.

The CHAIRMAN: That is not unfortunate. I think it is fortunate, perhaps, to have so much to do.

By Mr. Fleming:

Q. Television has a great future, has it not?—A. We believe it will have a very strong social force, one way or another.

Q. It is really difficult to exaggerate the importance of this new form of broadcasting?—A. We think so.

Q. In the United States they are getting into experiments with colour television, are they not?—A. That is right.

Q. And it is quite likely, is it not, that television may prove to be the biggest competitor that sound broadcasting has ever faced?—A. Yes.

Q. Your present plan calls for actual commencement of television broadcasting on September 1, 1951, does it not?—A. That is what we are shooting at, yes.

Q. And the new organization which you have within the last year put behind your television plan is working very hard with that object in view?—A. Yes.

Q. It is fair to say, is it not, that at the present time Canada is away behind the United States and the United Kingdom in the field of television?—A. Yes.

Q. It is true, is it not, that the development of television in the United States has been but little short of prodigious?—A. I think that is a good adjective to use.

Q. I saw figures not long ago indicating there will be something like 6,000,000 receiving sets sold in the United States this year.—A. That is an estimate.

Q. Has the C.B.C. been allowed to proceed in the field of television as fast and as early as it would have wished?—A. No. We would have liked to start earlier than we did. We were particularly anxious to go ahead about a year

and a quarter ago, but of course we needed parliamentary authorization for the necessary financing. That was put before the House of Commons early last spring.

Q. March 28, 1949, was the date, was it not?—A. Yes, but we could not actually do anything until we had the money available in our hands; and we did not get it until December; so there was considerable delay there. But that was, I imagine, a matter beyond the control of most people, I mean what happened in parliament.

Q. Was March 28, 1949, about the first time that you actually asked the government for the green light on the development of television?—A. No. We had discussed it earlier with them first in more general terms, and later in more specific terms during the few months preceding last March.

Q. When was it that the C.B.C. first decided that it wanted to settle its own policy and to ask the government for the right to implement that policy?—A. In the spring of 1948 we thought we were getting the general picture pretty clear in our minds of what was needed. We expressed our views in a public statement of which I think you have a copy. And when we felt the matter was more urgent, before the following session of parliament, early in 1949, we again brought up a discussion of it on a more specific basis; and that was followed by the government's statement of last March.

Q. You mean the statement issued by the C.B.C. on May 17, 1948, represents the first definite formulation of policy on the part of the Board of Governors in relation to television?—A. Yes.

Q. And the developments which occurred in that policy are reflected in the statements of November 3, 1948, and April 11, 1949?—A. Yes, and to a considerable extent in the government's statement which came out on March 28, 1949.

Q. There were private broadcasters in Canada prior to the formulation of your policy, who had asked you to allow them to enter the field of television?—A. Yes.

Q. When did the Board of Governors first receive applications from private broadcasters for the right to enter the field of television?—A. It was in the late spring of 1948 that the first applications came in.

Q. At that time you had about—

The CHAIRMAN: Do you not recall that we discussed it to some extent in this committee and there was some recommendation made with respect to television by this committee. Would that be before or after the time of these applications?

Mr. FLEMING: That committee was during the 1947 session, I think.

The CHAIRMAN: In 1947, when we made some recommendations about private television broadcasting, I recall that we were using the expression: that if any person were granted television rights, he must not sit upon those rights, that he must do something.

The WITNESS: I think the committee used the expression of "experimental licences".

The CHAIRMAN: That was the committee of 1947.

Mr. FLEMING: Yes, the committee of 1947.

By Mr. Stewart:

Q. When the private broadcasters applied to you in the spring of 1948, do you think they applied to you with the intention of starting stations immediately?—A. They asked for licences.

Q. You do not know whether they intended to start operating right away, or to conduct experiments?—A. I presume so. There is a general regulation in connection with all licences that the licensee is expected to start within a certain number of months.

By Mr. Robinson:

Q. In our 1947 report on Radio Broadcasting I read:

It has been represented that failure to grant licences to private stations or applicants for private stations to experiment in television might retard technical advance. No evidence was presented to indicate the likelihood of this.

A. Yes.

By Mr. Fleming:

Q. There were approaches, were there not, to the Board of Governors by private broadcasters even before the spring of 1948, intimating that they wished to enter the field? You intimated that the first formal applications were made in the spring of 1948. But there had been approaches made previously?—A. There were discussions, but I cannot remember any definite approach.

Q. You did not have any doubt that when the applications were made the applicants were quite prepared to go into the field and develop it, and that they had the finances to do so?—A. The Board was not too convinced. But may I first discuss the sequence of events? These several applications were made in the late spring, in April and May 1948. We dealt with one for Hamilton where there was only one frequency available, and recommended against it because we thought the frequency should be reserved for the National System. In respect to the Montreal and Toronto applications, we thought it would be only fair to set a cut-off date some months ahead, and that we would consider recommendations regarding these applications from any interested parties who would then have a chance to apply, and not simply the ones which had come in. So we made it clear in May 1948 that we would consider any applications which came in by October 1, 1948, and we considered them at the November meeting. The Board was not too impressed by the applications—that is to say, by the service which it seemed they proposed to give, and which would depend to a considerable extent on the financing that they showed. In several cases the financial background was decidedly vague.

Q. You had applications from several of the leading present private broadcasters?—A. Yes.

Q. In Montreal and Toronto?—A. C.K.A.C. in Montreal; C.F.R.B. in Toronto; C.K.E.Y. in Toronto; and C.F.C.F., the Marconi Station in Montreal.

Q. You also had one from the Famous Players Corporation. As to the basis of licensing, is it a fact that the licensing for television is under the statute and the regulations on the same basis as licensing for sound broadcasting now?—A. Television and sound broadcasting are simply different aspects of broadcasting.

Q. There is no distinction shown under the Act or regulations for the purposes of licensing?—A. No.

Q. So in that field it is necessary to have the approval of the Board of Governors of the C.B.C. and a license issued by the Minister of Transport?—A. It is necessary to have a recommendation from the Board of Governors and a license from the licensing authority.

Q. The Board of Governors has a veto in other words, upon any application in the field of television?—A. No. We only make a recommendation and our recommendation may or may not be accepted.

Q. Has the Minister of Transport ever issued a license over the head of an adverse recommendation from your Board of Governors?—A. I do not think he has for many years, but it certainly could be done.

Q. In fact, nobody gets a license except with the approval of the C.B.C.?—A. Theoretically they can.

Q. But they have not yet?—A. I think not, certainly not for many years.

Q. My information was to that effect, and I think evidence was given to that effect in 1946 or 1947.—A. I do not think we have ever found a case, if there was one.

Q. Coming now to the bands available, what bands are actually available to Canada in the field of television? There has been a reference made to 12 bands available in the Northern part of this continent?—A. There are 12 channels available in what is known as the present very high frequency band. These twelve channels have been allocated for use both in the United States and Canada. The channels are in the same band—those channels of course can be repeated at certain geographic separations. In each country the pattern of channels and the allocation according to population has to be worked out. In addition, for areas anywhere near the border you need an understanding between the two countries on the use of the channels so that they will not conflict.

Q. There will be a real problem created in Canada, or at least in the affected areas in Canada, by the powerful television transmitters in border cities like Detroit and Buffalo?—A. Not if you have an understanding such as you have in sound broadcasting which covers a wider area. There is room, presumably, for more stations on the Canadian side working without interference, just as there are American stations working without interference.

Q. That is a matter of channeling?—A. By marrying the pattern on the two sides of the border.

Q. In general what is the picture of the effective availability of wave lengths for television broadcasting in Canada?—A. It varies a great deal in different parts of the country. For example, the way the pattern works out there are three channels available in Toronto; there are five in Montreal; and it varies in different parts of the country.

Q. I suppose a study has been made, Mr. Dunton, right across Canada by the C.B.C.?—A. This is primarily a matter of the Department of Transport.

Q. Have you access to any studies that have been made across Canada indicating how many television stations can be set up in Canada without incurring interference from the United States?—A. You cannot say, because the number could be practically unlimited. You could keep on allocating stations in the Northwest Territories but, the essential point is how many you can get in the major centres. That depends on how the pattern happens to work in relation to those centres.

Q. I gather the substance of your evidence on this point is that we have a great many effective wavelengths for television in Canada?—A. For practical purposes that does not apply for any one centre. As I say in Toronto there are three channels, and in Montreal five.

Mr. STEWART: Could you give us the figures for Winnipeg and Vancouver?

The WITNESS: Winnipeg has four available and Vancouver has three.

Mr. MURRAY: What about Edmonton?

The WITNESS: I think it would be three or four. Probably you could have quite a few in Edmonton because it is so far north and there are relatively few other centres nearby.

By Mr. Fleming:

Q. You stressed wavelengths available in the cities. I take it that has regard to the fact that with television you have still got a very limited horizon

and you are thinking of having to serve the more populated areas?—A. Yes, but plans for repetition to other areas allows for provision of the less populated places.

Q. Technically, how far is it possible to extend the horizon by these relay arrangements, or do you call them repeaters?—A. I think we must avoid a confusion there.

Q. You use the right term?—A. In the first place there is a television transmitter which usually covers fifty or sixty miles and perhaps beyond that in special cases. However, you can connect transmitters together by a network connection, as we do for sound broadcasting. That network connection is made either by coaxial cable or micro wave radio relay links. It means the linking of two transmitters together.

Q. That has not anything to do with relaying television broadcasts beyond the extent of the effective horizon?—A. I will ask Mr. Ouimet to comment on it further but you can have, towards the edge of the service, a transmitter station which picks up and rebroadcasts the programs.

Q. That is what I am thinking of. May I just illustrate. In Toronto at the present time, where there are about 10,000 of these television receiving sets, our programs, as I understand it, come from Buffalo—most of them by relay.

Mr. OUMET: I think most of the programs are received directly from Buffalo but they come from Buffalo to New York and other production centres by coaxial cable. They come to Buffalo by network.

Mr. MURRAY: Has the altitude of the sending station anything to do with it?

The WITNESS: Yes, in theory it is a line of sight transmission.

Mr. MURRAY: Mount Robson is in my riding so we ought to have a very good station there.

The WITNESS: It would be a costly thing to get the station up there.

The CHAIRMAN: What is the usual height above sea level of those transmitters?

Mr. OUMET: It varies with each location. The higher you can get, for the funds available, the better it is from a technical standpoint. As a matter of fact, in the average case they use very high buildings. In New York they use the Chrysler Building or the Empire State building. Where there is no building they build a high tower, so you might say that 500 feet is probably a good average.

The CHAIRMAN: My recollection is, and you may correct me, but in London the station is on a hill which gave them 300 feet and their tower is 300 feet also, giving them 600 feet.

The WITNESS: Is that Alexandra Palace?

The CHAIRMAN: I do not remember where it is. They took me out to it but I do not know the geography of London too well and I do not remember the district.

Mr. FULTON: You are having some difficulty in Montreal because of the danger anticipated to aircraft by putting the station on the top of the mountain?

The WITNESS: Yes, but we think that can be worked out. However, there is another problem to locating on Mount Royal, which belongs to the city. There must be permission of the government of Quebec.

Mr. FLEMING: You were speaking of the concentration of television in the major centres. Your present plans call for the development of two transmitting stations in Montreal, one for English and one for French broadcasting, and also one for Toronto.

The WITNESS: No, the only authorization we have is for one station in Montreal which would be for both languages. We hope eventually that there

would be permission for two transmitters. The establishments in Montreal and Toronto are primarily production centres. They will be more than transmitters; they will be centres where we can turn out productions that will go on the air directly in those areas, and they will be distributed to different parts of the country by different methods. The first is by kinescope recordings and later, as the system of the country develops, by direct network connection.

Mr. STEWART: Have you any idea yet as to the cost of the first year's operation?

The WITNESS: For the first full year the cost will be about \$1,500,000.

Mr. STEWART: Running costs for both stations?

The WITNESS: Yes, for both stations.

The CHAIRMAN: You mean there—

The WITNESS: Montreal and Toronto.

Mr. MURRAY: Have you any idea of the revenue which would accrue?

The WITNESS: It is very hard to estimate. We are not certain yet of the basis on which revenue will be forthcoming. We assume, because of the high costs, and the size of our country, that there will have to be commercial programs and there will be some revenue from that from the beginning. The essential question though is how the direct public contribution will come in.

By Mr. Stewart:

Q. Have you decided yet what the best way will be to extend the service to the west? Will it be by coaxial cable or micro wavelength?—A. As it looks to us, there will be established stations at centres in the west and we can feed them in the first instance by means of film recordings, kinescope recordings; and then when we know how the economics are working out and the costs of communication company's services, we would look forward to the establishment of direct links either by micro wavelength or coaxial cable.

Q. So in effect the west would have delayed broadcasts? That is all it would mean?—A. Yes. May I explain that if you have a system which would carry television programs from east to west through relay link or cable, it can also carry all kinds of other communications—hundreds of telegraph, and teletype services, and television would be only paying for a certain part of that cost.

Q. What is the approximate cost per mile of coaxial cable?—A. I would like to explain first that the usual thing we would look forward to would be that which happened to the United States. As the communication companies build the cable or the relay link system the television people buy a service from them. We would not expect any capital cost; we would expect just a rental charge.

By Mr. Fleming:

Q. Have you prepared estimates of the expected cost of operation over a period of several years?—A. Yes, we have tried to.

Q. Could you submit those to us? Perhaps not now but later?—A. I can outline them now.

Q. If they were extensive it might save time if we had a look at them first?—A. They are not very extensive because we are not in a position to give a very detailed breakdown. We are looking forward in the first full year of operation to a cost of about \$1,500,000; the next year to about \$2,175,000.

Q. That is still on the basis of the two—what are you going to call them?—A. Production centres.

Q. On the basis of two production centres?—A. Yes. Next year the cost will be \$2,825,000 approximately; and the next year about \$3,000,000.

Q. According to your plans you are not contemplating the establishment of any further production centres in that four year period?—A. No.

Q. Do you want to answer?—A. We would like, and we would think that it would be advisable to proceed further with the developments of a nation-wide system. How that is to be done—whether it is to be done only through private stations or through public stations or through a combination of the two we do not know. It will depend partly on the outcome of the royal commission's study of the whole matter. We think the system should develop across the country and that these production centres will provide the first basis. They will be able to provide a fair measure of transmission to stations owned either by the C.B.C. or by private interests in the country.

Q. With your two production centres how far are you going to be able to extend television broadcasting beyond the centres of population?—A. To any other areas where stations are established.

Q. It is just a matter of establishing stations by which you may relay broadcasts that come over from the production centres?—A. Yes, it would not be a direct relay communication at first, but as Mr. Stewart says, it would be delayed broadcasting. We would send kinescope recordings to a station in Vancouver or Winnipeg. They would play those and we would hope that a few years later there would be a direct network so they could be played simultaneously.

Mr. FULTON: Do I understand from what you told Mr. Fleming that under the present circumstances it would be four years before Vancouver or Winnipeg could expect to have television programs available?

The WITNESS: Not necessarily, no. I think that anyone could proceed very soon following authorization—for either ourselves or private people, to build a station in Vancouver. We would expect almost as soon as we are operating in Montreal and Toronto that we could provide that station with broadcastings.

Mr. FULTON: By what means?

The WITNESS: Kinescope recordings.

By Mr. Fleming:

Q. The applications you had for various private broadcasters were to set up production centres, were they?—A. They said they were licences for stations.

Q. The distinction was not gone into at that time?—A. It is a question of terms. We are thinking, as always, in national terms, of production centres which will eventually serve the whole of Canada. I think naturally that the private operators were thinking particularly of a local operation. They were planning on doing some production for themselves.

Q. Something corresponding to about their present effective area of sound broadcasting? Would that be what they had in mind?—A. Areas of activity do you mean?

Q. No, the area over which their sound broadcasting extends.—A. In the case of CFRB it would not be nearly as wide as the area covered by their sound broadcasting.

Q. You have received a loan of \$4½ million. I gather from the statement you submitted to the committee that it has been advanced to you in Canadian government bonds?—A. Actually we got it in cash. Since we did not spend it right away we put it in bonds which we could sell.

Q. You have all of the money now though; the loan is fully advanced?—A. Yes.

Q. What commitments and expenditures have you made thus far? Can you give us the total? or can you give us some idea of how you are getting on with the setting up of those two production centres?—A. Mr. Ouimet, our director of engineering, has been conducting and putting together continual studies on

television and I can say it looks as though the capital cost of both Montreal and Toronto would be \$4,200,000. Some of that is committed in terms of orders for equipment. More will be committed as building proceeds and contracts for equipment are let.

Q. We can take it that your loan last year will practically all be taken up in capital cost of installation?—A. Yes.

Q. Have you figured out how you are going to finance the operations? You have indicated it is going to cost \$1 million the first year, \$2,120,000 the second year, and so on; how are you going to finance that? Have you given any study to it?—A. Yes we have. Dr. McCann, in a statement to the House, indicated that there would have to be further loans. What we would envisage is that we would need further loans in the development period after we get operating—largely to cover operating costs, but revenues would begin to come in and build up in the next three, or four, or five years, until they were equal to the outgo, and we will hope rising above the outgo.

Q. Did you figure how much you are going to need in the way of loans in four years?—A. It was indicated in the House of Commons that it would be about \$10 million.

Q. In addition to the \$4½ million?—A. No, in total.

Q. Another \$5½ million beyond what you have received?—A. Yes.

By Mr. Stewart:

Q. It might be appropriate to ask the witness on facts concerning the purchase of equipment for television. Were tenders asked for or how was the material purchased?—A. For the transmitter sets—the big transmitter sets—tenders were asked for from just two firms, the Canadian General Electric and the R.C.A. Company of Canada. For the studio development, that is inside equipment—camera chains, controls, and all that sort of thing, which is also a very big amount, tenders were asked for from a number of Canadian and British firms. A British firm, Marconi's Wireless Telegraph Company Limited were successful.

Q. Why were tenders not asked for on a wider scale?—A. Because, in the judgment of the management, it was better, when dealing with big transmitter sets to deal with Canadian companies well established, right on the spot, and who could assure service and build us transmitters of a type which our people had been able to study and which they knew were satisfactory.

Q. Do you have reason to believe that the prices which you got were comparable with anything else which you might have got?—A. In this thing it is not only a matter of price, it is also a matter of service suitability. There is no economy if you buy a cheap thing and have trouble with it.

Q. That is the 5 kilowatt transmitter where they gave the price for the one of \$184,000 and for the other \$104,000?—A. Yes.

Q. And you awarded one contract to one of these companies and the other to the other, is that correct?—A. Yes.

Q. And then you proceeded in the purchase of your other equipment in the same way, or have you invited tenders more widely?—A. No, as I explained, for the studio equipment, a large part of the work on which was done with Canadian materials, that was done by inviting bids from seven Canadians and three British firms and a British firm was successful. The British firm with whom the order was placed told us that it would be serviced by the Canadian Marconi Company here.

Q. Does the C.B.C. in making its plans for these heavy purchases of equipment that are manufactured in the United Kingdom as well as in the United States have regard to the government policy of seeking to buy from the United Kingdom where possible in order to provide them with the dollars to purchase

our products?—A. Yes, certainly, they have that in mind, but as I pointed out the transmitters were built by companies in Canada with the understanding that there would be a very high Canadian content.

Q. Did you inquire into that to see how much would be constructed in Canada?—A. We have had indications from the Canadian General Electric that theirs would be 70 per cent Canadian content. I do not think we have a definite figure from the other company other than that they say it will be also high.

Q. Have you any statement about revenues from the operation indicating the loans you are going to require in the next four years; and you mentioned earlier that you expected to have to commercialize some of your television areas; it is a fact, is it not, that in the United States there is no licence fee for television receiving set?—A. Yes.

Q. Have you given a study to this question of how you are going to get your revenues apart from commercial? Have there been some estimates prepared?—A. We have thought about it a lot. It is, of course, not our decision to make. Our estimates have been based on an income of \$10 per television home.

Q. Would that be in addition to the fee for the sound receiving set?—A. Yes, quite definitely.

Q. Entirely separate?—A. Yes.

Q. \$10 a year?—A. Yes.

The CHAIRMAN: May I get something on the record here for safety's sake? I understand that you are not indicating that you are advising that there should be a \$10 licence fee, that is only the measuring term that you are using in order to arrive at your estimate.

The WITNESS: Yes.

The CHAIRMAN: There has been some little difference of opinion so far, you will remember, as to whether the C.B.C. was actually advocating an increase of \$5 when they were before the Massey Commission, and my question there was only to keep the record straight with regard to the C.B.C. so that they won't get a bloody nose over this.

By Mr. Fleming:

Q. Have you made studies in preparing estimates of the number of receiving stations which would indicate to us how you have estimated the revenue from both of these possible sources, licence fees and commercial revenue, over this four-year period?—A. Yes. We have made a number of studies, but in view of developments and interesting new information coming in we would like to make some revision of those studies. I can give you an idea of what our thinking was based on, which may be subject to some revision; a figure of 22,500 sets the first year; 56,000 sets the second year; 111,500 sets the third year; and 168,000 sets the next year. There are indications that perhaps that rate of build-up may be greater. There are a number of factors we cannot be too sure of. For instance, television sets will be more expensive here than they are in the United States. Our view is that the figures we have worked on so far are comparatively low, that we have been very conservative rather than too optimistic. For instance, there are already some 11,000 sets in Canada.

Mr. FLEMING: I had a moment ago the figure of 10,000 sets for Toronto so presumably it must be higher than that.

Mr. OUMET: The figure for Toronto is 5,000.

Mr. FLEMING: 5,000 in Toronto only?

Mr. OUMET: Yes.

By Mr. Fleming:

Q. What do you estimate will be the revenue from commercial sources?—

A. About the same proportion as we get now on our broadcasting; that is to say about one-third of the revenue each year comes from commercial sources.

The CHAIRMAN: As a matter of information, how do you happen to know that figure of 11,000, Mr. Ouimet?

Mr. OUMET: The Radio Manufacturers Association issue statistics every month showing how many sets are sold.

The CHAIRMAN: Yes, I see.

Mr. FLEMING: You have a statement there, Mr. Dunton, to leave with us, or perhaps you could mimeograph copies for the use of the committee?

The WITNESS: Yes, we can put these figures down.

Mr. FLEMING: If there is any way of mimeographing that in reasonable quantity it might save some time.

Mr. STEWART: I would like to refer to the figure you gave earlier about your operating costs; you expressed, for the first five years, a possible revenue of \$10 per television set, and in spite of that you will run into a very substantial deficit each year?

The WITNESS: Yes, but the deficit will close after the first year, it will tend to get smaller, and you would expect at the end of the fifth year that it would have closed almost entirely. This increase is based on these two production centres, Montreal and Toronto. On the other hand, if one or the other of these figures expands; for instance, if a station is established in another area, that would mean a greater number of sets and not so much greater cost increase. Our big cost would be producing programs and it would not cost us very much extra, for instance, to carry that program to a point like Winnipeg, and we would get a lot more listeners in the Winnipeg area and that would mean more revenue.

Mr. STEWART: And this would be based on the operation of the two stations, one in Montreal and the other in Toronto?

The WITNESS: Yes, but it would only be fair to state that expenditures would go up if there were other stations, and revenues also would be up.

Mr. MURRAY: A television licence fee of \$10 per year is that the suggested basis?

The CHAIRMAN: My observation was made for the purpose of showing that he did not mean that amount of \$10 would be a licence fee, merely that that was the amount which he had in mind in making up his estimates, the basis on which he measured the thing, do you see.

By Mr. Stewart:

Q. Yes. Well then, what about theatres and other places of entertainment like bars and beer parlours and places where these things are shown. In the United States television has been taken over and is getting a lot of attention in cafes and public places; would that not be a source of extra revenue?—A. It might be.

Q. A \$10 fee for homes suggests that one should charge a great deal more for a beer parlour or some of these other places like cocktail lounges and places of that sort which we have in Ontario.—A. That would depend ultimately on the licensing policy of the government.

Mr. FULTON: Are they in Canadian beer parlours and cocktail lounges yet?

The WITNESS: I have no practical knowledge of that.

Mr. OUMET: I have seen them.

Mr. FLEMING: Just to clear that point up, if you don't get from the receiving set licence fee source revenues equivalent to \$10 per home where there is a set it means you will have to ask for a bigger loan or for something of that nature from the government?

The WITNESS: Yes, but if you ask for a loan there must be some basis of getting revenue with which to repay it.

Mr. FLEMING: There is no other source for getting the amount of money you are going to need here?

Mr. STEWART: It can be built out of loans.

Mr. FLEMING: I am saying it will either come from the government or from the persons with the receiving sets?

The WITNESS: Yes, through some agency, either directly or indirectly.

Mr. STEWART: I was not trying to specify a particular method to the government.

Mr. FLEMING: Mr. Chairman, may I just finish putting my questions with respect to this subject, and I apologize to the committee for taking up so much of its time this morning.

By Mr. Fleming:

Q. Have you refused these applications from the private stations or have you simply suspended or deferred action on them?—A. You mean the Montreal and Toronto ones?

Q. Yes. A.—The Montreal and Toronto applications are deferred.

Q. Have you had applications from other sources than Toronto and Montreal?—A. One from Hamilton which was received has been deferred, and one from New Westminster.

Q. What action have you taken on that one?—A. In the New Westminster case it was not a complete application, for different reasons; in any case, the way our thinking and the government thinking has developed we are not at the point of dealing with this application, because you will see from our statements that until the matter is further studied we thought that further action should not be taken, and that perhaps there should be joint applications in the different areas rather than individual applications.

Q. That brings us back then to the question of the proposals with respect to these Toronto stations, and they are somewhat similar to the Montreal applications, and I take it that you are now suggesting that they should be co-operative undertakings?—A. Yes.

Q. What is the basis of that, are you short of wave lengths in these areas?—A. In Toronto, for instance, there have been four applications and there will be only two channels for private broadcasters, so it will be a question of some people being in on a joint basis rather than one or two being in and the others being out. But in addition to that it seems to us, there is a good deal of common sense basis for this. Television is of such a nature that there is more chance to give service to the public if the different groups were to combine their resources and try to operate one good service rather than three or four of lesser quality.

Q. But the people who now have applications before you are competitive, competing against each other in the sound broadcasting field there. It is quite reasonable to expect them to come together and combine in television.—A. Some of the applicants are not competing with each other.

Q. Well, broadly speaking.—A. Yes.

Q. You have some big competitors, I think you mentioned one or two of them earlier today.—A. Yes there is C.F.R.B. and C.K.Y., perhaps they are competitive. I do not think the other people are, for instance Famous Players.

Q. No no, Famous Players are a moving picture outfit. I am speaking more of those who pioneered in the operation of sound broadcasting stations.—

A. Yes, there are those who are competitive. In Montreal we have applications from C.F.C.F. and C.K.A.C. I do not think you would call them competitive. C.K.A.C. is almost entirely French.

Q. Do you see any reason why these other persons, the operators of sound broadcasting stations, should not be allowed to go into this field in preference to others who have had no experience in broadcasting?—A. I think that is a very big question, one which the committee perhaps wants to consider: Should people who are in the field have a definite preference over outsiders, or should other people have a chance to get into it.

Q. You will agree with this, you have mentioned the sound broadcasting field; in many cases they have been pioneers in the broadcasting field and have big investments in broadcastings.—A. C.F.R.B., of course, is a long established station.

Q. And they would be included among the pioneers.—A. Yes, that is a long established station.

The CHAIRMAN: Is it your contention then that people who are in the broadcasting business already should have some priority over other kinds of people?

Mr. FLEMING: You mean completely outside the field of broadcasting?

The CHAIRMAN: Yes.

Mr. FLEMING: I should think very definitely that people who are in the sound broadcasting field and have rendered a service there, who in many cases have been pioneers in the development of sound broadcasting, should have that service recognized when it comes to entertaining applications for the extension of broadcasting into the field of vision.

Mr. STEWART: That would depend upon the Board of Governors estimate as to whether or not those people could give as good service as some other people could.

Mr. FLEMING: I am not suggesting that there are not other factors to be taken into consideration, but when you have applications where other things are equal I think those factors should be taken into account.

Mr. STEWART: Quite. The people you have mentioned should be in a preferred position, they have the experience and the facilities, but I do not see that they should have any prior right.

The CHAIRMAN: What about the theatre people now? They would want to get in, would you say then because they are not broadcasting they should be considered a sort of second class application?

Mr. FLEMING: I would say so, definitely. There is one other question I would like to ask on this point, that the people who have been in this field—

The CHAIRMAN: You mean the field of sound broadcasting?

Mr. FLEMING: Yes, and have given good service and in many cases have been pioneers in the field, have invested their money in the field, should have that service recognized when applications come forward; and I am not suggesting at all that that is the only factor to be considered, but I would certainly urge that that was a factor that should be kept in mind when these applications are being considered.

The CHAIRMAN: I just wanted to get that clear.

Mr. FLEMING: Just one or other question I would like to ask Mr. Dunton on that point; television broadcasting in Canada is the keenest competition sound broadcasting has ever faced?

The WITNESS: I think so, yes.

Mr. FLEMING: And in the case of those persons who are now operating sound broadcasting stations, if the others are to be given television licences, they face the prospect of being forced out of business?

The WITNESS: I do not think anyone could say that television would force the sound broadcasting people out or not. There certainly would be strong competition from television.

Mr. FULTON: Has there been any major competition between films, the same as between television and sound broadcasting?

The WITNESS: I think there have been all sorts of surveys made covering that in the United States. As a matter of fact, the film industry itself has conducted a few. Some say it has affected the movie business and some say it has not. Some say it is worse in some places than in others. I do not think the picture is sufficiently clear to know what effect it will have.

Mr. FLEMING: If you were the owner and operator of a sound broadcasting station today and television were coming into your locality would you not be very fearful for the whole future of your business?

The WITNESS: That would depend on all kinds of circumstances, Mr. Fleming; the locality, the kind of television that was coming in, the basis on which it would be operating—I could not give you a general answer to that. I certainly would say that I would like to look very carefully into the cost of running a television service.

Mr. HANSELL: Is it not an obvious thing that people can only listen to one thing at a time and that people have to choose between turning on a television or a radio, and that would have an effect on the distribution of listener interest, let us say in a place like Calgary?

The WITNESS: It certainly would.

Mr. HANSELL: And radio would be affected to the extent that television takes people away from it.

The WITNESS: I think it would certainly be affected, very decidedly. Another feature of it is this, how long would a radio television service be on, and what time of the day or what time of the night would it be on. You take the B.B.C., for instance, they are only on for 28 hours a week, 2 or 3 hours a day, I think they only average 4 hours a day. I do not think the sound radio has a very great deal to fear from it, particularly in Canada, and we think that sound radio is going to be here as long as we can foresee.

Mr. FLEMING: Mr. Chairman, may I thank the committee for their indulgence this morning in permitting me to get these questions dealt with before I had to leave to go to another committee meeting.

By Mr. Hansell:

Q. Mr. Chairman, I would like to read a very short paragraph from an article on television appearing in the *Saturday Night*. I expect Mr. Dunton has already read it. It is along the line we have been discussing. The article is by Lorne Greene, and here is a short paragraph from it:—

To think that such a closely allied competitor as TV will not affect the economics of radio is to avoid the issue. If both systems are to be dependent for financial return on their qualities as advertising media, then the one that sells the better will dominate. Radio has built its elaborate structure on the complete monopoly of those budgets allotted to air time. Logically, then, we must assume that the entrance of a parallel—and, in some respects, superior—art into the competitive field will bring about a marked reduction in the income now enjoyed by the radio broadcasters.

I think we would have to say that is substantially correct.—A. Except that I noted a phrase about television being used as “advertising media”. We feel that television should be something more than an advertising medium in Canada, and that it is capable of being much more than that for the public. To the extent to which it is used for things other than advertising it would have less effect upon commercial sound broadcasting.

By Mr. Stewart:

Q. You expect that there will be three channels available in Toronto and five channels available in Montreal, and that you intend to have only one C.B.C. station in Toronto, the others there being operated by private groups?—A. We are authorized for just one station. The licensing authority, the government, said it would be prepared to license one private station and suggested a form of joint application, I mean a joint form. And that is how it stands now.—Q. It might possibly cost a private station about \$1 million per year to operate as a producing center. Have you got any private groups willing to put up that sort of money for production costs in a year?—A. I would hesitate to speak at second hand for any of the groups. Different sums of money were mentioned to the Board of Governors in the discussions, and the Board was not too convinced about the amount of money which would be put in by various applicants for actual production of programs. I may say that American television in Canada would be relatively cheap television in terms. It is not expensive to have a transmitter on the air with programs coming in from the United States. The real expense comes when you try to have Canadian production at home. That is a fundamental need in our opinion for a Canadian System. There is pressure to bring in a great amount of programs from outside the country, because you can get programs on a much cheaper basis.

Q. I have seen many American television shows and I was not greatly impressed by their quality. I hope to see better television shows produced in this country.—A. We hope that Canadians using a larger supply of ingenuity will be able to do some good work in employing Canadian talent and in expressing Canadian ideas. We think it is vitally important to the future of the country that television be developed on a basis under which there will be the use of Canadian talent and ideas, and not simply to have it dependent upon its commercial aspects and material from outside Canada.

Q. You have certain restrictions upon radio broadcasting such as the one that records shall be played only at certain times, and that there has to be a certain amount of live broadcasts. Would the same set of regulations hold good with respect to television?—A. It might. We have not gone very far into the question of regulations as applied to television. But I do think that many of these negative regulations are never as satisfactory, on the whole, as positive steps. It might be possible to restrict the importation of material. We think there should be provision made for the production and distribution of a large amount of Canadian material in the country.

Q. Your corporation represents an element of control over those private stations to see that they conform to the policy of the corporation?—A. We have provision under the Act now for control. Government policy in relation to private stations would co-ordinate as to activities the whole national system under general regulations.

By Mr. Hansell:

Q. Similar to the way in which radio is operated today?—A. Yes.

Q. Well, in that case, would it be reasonable to say that the private independent stations have not got a great deal to fear in respect to their investments? We were speaking about radio stations finding it economically difficult

to compete with television. But it should not be so bad if they are part of the national system?—A. That is what is envisaged in the present interim policy of having stations established in different parts of the country as part of the national system and working in co-operation with it.

By Mr. Stewart:

Q. In the New York Times of March 12, 1950, there is a survey by Mr. Jack Gould entitled "TV Habits of Children Offer Opportunity", and one of the points brought out is:

The child who has his own set at home views television shows for an average of twenty-seven hours a week, or nearly four hours a day. This is only fifty minutes less than the Burdick pupil attends school every week. The Burdick student body ranges from 11 to 15 years in age.

From that I think one can see the tremendous social implications of television. And as was pointed out earlier, I would be inclined to argue that there would be a tremendous need for close supervision over television in this country so that the minds of children should not be polluted as they sometimes actually are by radio. That is one of the arguments for retaining as severe control as necessary over the operations of private broadcasting. Are you acquainted with this survey?—A. I know it very well.

Q. Are there any points you would care to add?—A. Surveys like that tend to reinforce one's opinion of the importance of television in the future life of Canada, particularly with respect to the impression it may make upon young people as they grow up. That is one of the main reasons we think it is so vital that there be a well worked-out system of broadcasting in Canada.

By Mr. Murray:

Q. Is the corporation doing very much in the way of research work to improve the picture given in television? At the present time I consider it is very flat and it has not greatly developed. I believe there is great room for improvement.—A. We have very good technical men. I would ask Mr. Ouimet to comment on your question.

Q. If Canada could develop a better mechanical job on television, it would be a good thing.

Mr. OUIMET: I think the question is one concerned with the limitations of the system itself and the quality of the receivers. The whole thing is tied up with the question of cost. There is no doubt that better images could be obtained if more money were spent, particularly on the receivers. But it is a question of what the public is willing to pay for its receivers. I may say that from the engineering standpoint the image is certainly not completely satisfying. But when the program quality is good, our experience is that the viewers tend to forget entirely about the limitations of the picture.

Mr. MURRAY: But there is no depth to the pictures. They are so flat.

Mr. OUIMET: It depends on which pictures you are referring to. There are some pictures which have good depth and which are not flat. I think it depends on which one you are thinking of in your comments.

Mr. MURRAY: That trouble could be overcome, I suppose, by better devices and so on.

Mr. OUIMET: The science of television is very young. It is improving every day. The pictures that we see today are much better than the pictures we saw two or three years ago. They are improving rapidly. Moreover, the system as it stands has not yet reached its complete development in terms of detail and definition. The present receivers and the system as a whole give about one half only of what they could give.

Mr. STEWART: How many employees have you got on your research transmission staff?

Mr. OUMET: We have about 20.

Mr. STEWART: And they are going into the question of improving transmission all the time? Is that so?

Mr. OUMET: They are concerned primarily with the problem of improving our operations generally.

By Mr. Fulton:

Q. Might I ask whether the policy of the corporation at the moment would permit of the establishment of a production centre by private concerns before you have set up your own production centres?—A. As the licensor the government says it is prepared to issue a licence to suitable applicants upon suitable applications. I think we should not be confused by the term "production centre". We used it because these establishments would be designed to produce programs for wide distribution. The set-up would be much more elaborate than for just a single station's operation, or than you could establish for a private station. But the way is open under this interim policy.

Q. You recommend the curtailment of applications which have come before you so far because the policy is not yet firm. Is that right?—A. The extent to which we have made suggestions with respect to these present applications is: that the people interested should try to get together to make one good joint application. But nobody has come back with such a proposal.

Q. It is not part of your policy to say: No. We cannot allow production centres on a private basis before we put up one ourselves?—A. No.

Q. I was thinking again of Vancouver and of the Winnipeg area where your program does not envisage any production centre at least for years. What chance is there of getting one from some other source? I know the tremendous cost involved. But I suppose in the Vancouver area the range of the station would be some 50 to 60 miles, and within that area you have at least 500,000 to 600,000 people, if not more. It is a very substantially populated area. How soon is it going to be before they can hope to get television?—A. It is a question of putting in a station and a transmitter. If parliament authorizes the finances, we would go ahead with the establishment of a station there and we would feed it from our existing production centres. A station could also be built by a private group getting together in Vancouver under present interim plans for a Canadian system. There is no reason why either of them could not go ahead very quickly; in one case if we get the authorization, and in the other if a suitable group should get together and obtain the necessary permission.

Q. Your plan for production centres appears to be so very limited that you contemplate only two at the moment, one to be in Montreal and one to be in Toronto. Is it merely the cost factor which is holding you back there?—A. It is the cost factor; but it seems to us that the next essential thing is to have a transmitter in either area so that people can see what is being produced in Canada. Moreover, we would like to do some production in other areas. Once you produce Canadian programs you must get them to as many people as you can.

Q. There is no difficulty about getting those programs, let us say, to Vancouver from Toronto, if your production centre is in Toronto? Vancouver or Winnipeg would not be handicapped in the receipt of Canadian programs because they have not got a production centre?—A. They would have to get them first by means of kinescope recordings which are not perfect, but which are fairly good. We shall be set up to supply those recordings as soon as we are established.

Q. With what urgency do you regard the problem of setting up production centres as well in Vancouver, once you have got them in Montreal and Toronto?—A. It would be a matter of cost. If we established a station in Vancouver, we would like to have production facilities. But it is a matter of cost and a matter of experiment. We would supply the basic programs coming from production centres, and we would do some local production work; and in the future you would have some things coming from Vancouver to the rest of the country.

By the Chairman:

Q. If you were presenting some current events, and if you had production centres in Montreal and Toronto, and if you remitted them in the manner you have been describing to Vancouver, then Vancouver would be able to see the current local events at Toronto and Montreal but it would never see its own. Vancouver might see a hockey game in the Maple Leaf Gardens at Toronto, but it would never see any competitive sport which had, perhaps, particular interest to Vancouver in its own area. Is that correct?—A. No. That is why I say it would be a matter of cost. If we established a station we would like right away to have a mobile unit which could do just those things in Vancouver at first, not a complete and expensive set of studios for big productions but a mobile unit for local events and local productions.

By Mr. Knight:

Q. Vancouver and certain parts of British Columbia appear to be on the fringe of an area emanating from the United States. Would there be competition from Seattle?—A. There seems to be some freak reception from Seattle. I think it is a type of reflection.

Mr. OUMET: I think there are something like 100 receivers in Vancouver.

The CHAIRMAN: What is that?

Mr. OUMET: I think there are about 100 receivers in operation in Vancouver which receive from Seattle. It is difficult to name an exact number because many of those receivers would be built by amateurs. In other words, to get good reception, it requires somebody who makes a hobby of it. Vancouver is quite a distance from Seattle, I would say about 130 miles; and on certain days and under favourable conditions images are received in certain parts of Vancouver. But technically we consider that the limit of good reception is somewhere in the order of 50 miles. On the other hand Toronto is able to get reception from Buffalo over a distance of 65 or 68 miles. But when there are great number of stations in the area, then reception will become more and more difficult. While there is only one station operating, it is easier to get it at a distance than when there are a great number of stations.

Mr. KNIGHT: If they can get something from Seattle, it would sharpen their appetites.

By Mr. Fulton:

Q. Is the coast so great that generally speaking a production centre is not built until it is going to serve a network?—A. It is a matter of production. With most stations, let us say in the United States, they have some production facilities. Those facilities may vary from a film projector, and in some cases with no camera at all, up to several camera chains. We are more comparable to networks in the States or the B.B.C. at Alexandra Palace. We shall not be as big as those networks, but we shall be so much bigger than any individual station in the United States.

Q. Does that mean there will not be any privately owned television centres in Canada?—A. I do not think there is any hope of a television network in Canada operating on a commercial basis.

Q. Why?—A. Because the cost would be so immense that it would not pay. It would be cheaper to bring in programs from the States.

Q. But your policy is against doing that?—A. Even if we prohibited it completely, there are all sorts of ways of getting programs from the States by other means. I cannot see how, even by restricting the stuff coming in from the States, it would pay to operate a network commercially in Canada.

Q. Is it possible for anyone to support privately the cost of production centres unless he has a network, or some sort of a network with more than one outlet?—A. I do not think it is possible even if he had permission to have a network. I do not think it is possible for a production centre producing a large measure of original programs.

Q. You think the only way television production can be developed in Canada is through government assistance?—A. There has to be public assistance, yes. Private operations would no doubt do some programming. But the great body of their programming, especially the more creative work, would inevitably come from outside the country, because it would be a much cheaper way of doing it, and they would be under very heavy pressure to meet their costs. The situation of a private station in a Canadian city would be very much like that of an American city which was outside the main centres. Buffalo is going ahead because it can be supplied with network programs and general material which is available in the States. I do not think it could make any progress or keep going if it were just isolated in Buffalo, without a great volume of American material coming to it. I think the ordinary Canadian commercial station would be much in the same position.

By Mr. Henry:

Q. What about the question of using films?—A. I do not know of any television broadcasting organization, including ourselves, who will not want to use a certain amount of film material. It is just a question of getting good film material at reasonable prices.

Q. Have the motion picture people indicated how they propose to use television, if they are granted a license? You mean the theatres?

Q. Yes. How do they propose to use it?—A. We do not know exactly. At the present time the Famous Players organization have permission—not for television broadcasting—but to use point to point connections with a mobile unit which can travel around the city and which can transmit a program back to their theatre where it is put upon the screen. It is what is known as a closed circuit connection.

Q. And are they doing that now?—A. Yes. They have all the facilities to do that now.

Mr. OUMET: They have televised one or two functions so far.

Mr. MURRAY: How long do you think it will be before the televising of newspapers becomes possible?

Mr. STEWART: You make the idea of life more horrible!

By Mr. Murray:

Q. No, better.—A. I think it would be hard to read a newspaper if it were televised.

Q. But has not microfilm been used in some places?—A. You are thinking of facsimile.

Q. Yes, facsimile.—A. That is not quite the same operation. It is a form of transmitting graphic material.

Q. But it is in that general field?—A. Yes. It is theoretically possible to transmit the page of a newspaper by facsimile. A number of people have tried it in the United States and found that it did not work. It is far too expensive a method of getting a newspaper into people's homes.

Q. But in the near future it may become quite feasible.—A. I am willing to bet on it.

Q. Would you give me an exclusive franchise for it?—A. I have not the power to do so.

Mr. SMITH (*Calgary West*): How much money are you prepared to put up?

The WITNESS: One organization has had an exclusive arrangement with one of the manufacturers of facsimile equipment for some years, but there has been no development yet.

Mr. MURRAY: There has not been the pressure for it.

By Mr. Knight:

Q. Do you think that the publishers who are so frankly desirous of getting into your orbit are motivated by the fear that facsimile may put the newspapers out of business, and it is for that reason that they will have to resort to facsimile? Do you think they are unduly alarmed?—A. I think your phrase about being "unduly alarmed" is a very mild one.

Q. I am a mild man.

Mr. MURRAY: At times!

The WITNESS: A number of very keen newspaper publishers in the United States have gone into facsimile but have found that it simply is not a paying or sensible proposition and they have dropped it. I think that facsimile is very dead in the United States now.

The CHAIRMAN: Has anybody else any questions?

By Mr. Hansell:

Q. I have one question, Mr. Chairman. You have a production centre in Toronto and if you are desirous of sending your program to Vancouver, I take it that the program would have to be treated in the same way that a delayed broadcast is today?—A. That is right.

Q. And if you televise a Maple Leaf Gardens hockey game, they would see it in Vancouver a day or two afterwards?—A. That is right.

Mr. MURRAY: That would never do in Vancouver.

By Mr. Richard:

Q. I think I read in the papers sometime ago about a plan to have a third television broadcast station in Ottawa connecting with Montreal and Toronto. Are there any plans for that?—A. We have no authorization for it, but naturally we hope before long to have it. There are negotiations under way now for a network connection between Montreal and Toronto. It would offer great advantages and economies if that connection should naturally come via Ottawa.

Q. It would only be a little further to come via Ottawa?—A. Yes; and you could have a station here, operating with material derived from the network without high cost.

Q. And could we get both Montreal and Toronto productions?—A. We hope to.

Q. Would it be a reversible cable? Would it work both ways?—A. We hope so.

Mr. SMITH (*Calgary West*): You might even televise the Senate and the House of Commons.

The CHAIRMAN: I think that the C.B.C. should be placed under a pledge that they will not televise anything from here, our committee or anything else.

Mr. RICHARD: Would you produce sound film yourself, or would it be done by the National Film Board or some other agency?

Mr. OUIMET: By the way, the "kinescope" recording is a trade name of the RCA Victor Company. The system is similar to that of transcriptions in radio.

It is a record on film of a program which has already been produced for television. That is very distinct from a production where you make a film to show especially in theatres. You might use it also. But the television system in the case of recordings, is simply that of taking a good quality monitor tube which shows a movie of the program you are producing. You put a camera in front of it, just one camera, and you film it continuously. I may say that that process costs about 1/100th of the cost of shooting a production by the regular film method such as in the Hollywood studios or in the major film studios. The cost will depend on how many copies you want to have. It runs something in the order of \$150 to \$200 per hour of recording time. A film costs a lot more than that. This is not a regular film.

Mr. RICHARD: You would not produce film?

Mr. OUMET: We have to make a distinction. There are certain events for television use which can only be put on film. For example, if you want to give a newsreel, or some news event, it is very unlikely that you could be there with your television camera. Suppose something unforeseen happened in one of the larger cities. It is very unlikely that you could be there with your television camera in time to have it transmitted direct over the ordinary facilities. But you would instead send along a man with a 16 mm. camera. It is a form of production of very limited volume.

By Mr. Smith (Calgary West):

Q. I suppose you regard television in Canada, no matter how it is done, as inevitable? I mean, we are going to have it?—A. I would think so, Mr. Smith.

Q. I read the other day that in the United States there are television sets in three hundred out of every one thousand homes.—A. For the whole country?

Q. Yes.—A. That is only in a certain area, I think.

Mr. OUMET: I understand there are 6 million sets there now.

Mr. SMITH (*Calgary West*): In any event, there are 6 million sets. I do not know how many homes there are. But if there are 150 million homes, and you divide that figure by 5—

Mr. MURRAY: That would mean 30 million homes.

By Mr. Smith (Calgary West):

Q. In any event, I think that is clear proof of the tremendous advance in public interest in having it; and we can reasonably expect, I think, a similar trend—I shall not call it anything more than that—in this country. I see you are nodding.—A. Yes.

Q. The reporter cannot record a nod of your head. You will have to “yes”. —A. Yes. I would say so, when television is available. We expect there will be great interest in this country when it is available.

Q. Your object is to do just as much of this work as you can with the cost limitation which is imposed upon you?—A. Yes.

Q. And after that you are prepared to let other people do it, either present corporations or new ones which will enter the field?—A. The position is simply as it is recorded. The government, which has the licensing over-all authority, will grant the licences with certain conditions. And while our thinking is the same for the time being, it is possible that our ideas will be modified later by parliament, perhaps following the report of the Royal Commission. I do not know. However I think we should not go beyond our functions. It is not for us to make over-all decisions.

Q. Perhaps we had better clear that up. The government has yet to disagree with a recommendation by you with respect to licensing stations or any other major activity? I am being complimentary.—A. I cannot think of any major disagreement.

Q. In other words, if we are talking about, let us say, Mr. Murray over here who has all those money-making newspapers and who drops them in your pockets—before a licence could be granted to him, it would be referred to you and on your advice that licence might or might not be granted?—A. Yes. It is always possible that in a new field like television the government will not agree with a recommendation of ours.

By Mr. Knight:

Q. But you have been doing it over quite a few years now; and it may be like some other things, that they have yet to disagree.—A. In general terms, that is right.

Q. And certainly in connection with the granting of licences even now for sound broadcasting, they have yet to disagree with you.—A. Yes.

Q. And now you go a bit further and you say: We shall let private interests have some licences limited no doubt by regulation; and you go further than that and you now say: that your policy is that these individuals should combine to take care of the problem in a given population area.—A. We have said so far that we think that is a good idea.

Q. You have not granted any licences as yet unless they have combined?—A. We have not recommended any. That is right.

Q. You have not granted any. It is a distinction without a difference, as far as I am concerned. But you have yet to recommend that. Then we will take an area like the big cities, let us say, Winnipeg or Kamloops or something like that. The Vancouver area is what I have in mind. How many wave lengths have you got? Let us take Vancouver first.—A. In Vancouver there are three.

By Mr. Smith (Calgary West):

Q. And as yet none of those three has been granted?—A. No.

Q. What is your policy with respect to them? Let us assume you have two applications from that area, or that you have four applications from that area. What would your policy be by way of a recommendation to the government?—A. It is hard to say what the Board would do in advance, but I think it is obvious to say that the people interested would be invited to get together and make a joint recommendation.

Q. In other words, your recommendation would be to eliminate private competition in that area?—A. We think it a good idea for a start that there be a combined application. I do not think we can look that far ahead in these matters.

Q. I do not want to look too far ahead. But supposing it happened today. Your policy would be to tell those people to get together if they want television in that area?—A. It has already been indicated to them that the wise thing to do would be to get together.

Q. That is your present policy?—A. Yes.

Q. Have you got any applications from Alberta?—A. No.

Q. Have you got anything from Edmonton?—A. No.

Q. I see. Let us assume that you had applications from some of the populated areas not presently being served, and that the people did as you suggested; that individuals or corporations did combine in some way or other to put their joint resources behind their objective. Have you as yet considered the matter of regulations?—A. Not in detail. The first and essential thing is that we would be expected to supply that station with certain network program services, and the station in turn would be expected to take a certain amount of them. That would be the first thing. We would get into the question of regulations in detail later.

Q. I see. I take it that we would have regulations operated by your corporation similar to those we have respecting sound?—A. Yes.

Q. I mean making allowances for the differences in the type of operation? A. Yes.

Q. Now, in so far as programming consists in television, would you require, as you do in sound broadcasting, a preview of the programs?—A. We do not really require it now.

Q. Not a preview; but you do get a précis of what the station is going to do in the next week or so?—A. There is a regulation which says that a station shall forward their advance log to us, but that regulation is not being enforced. We found that we could watch a station without the necessity of its doing so. The regulation has not been carried out.

Q. I am suggesting it to the chairman when he writes the report.

The CHAIRMAN: He will not write the report.

Mr. SMITH (*Calgary West*): Well, he is going to be around when we do. I am not kidding myself about that, and I am sure it will be a good one.

By Mr. Smith (Calgary West):

Q. With respect to outlying areas in the province of Alberta, what is the future of television there? I mean in so far as the receivers are concerned? I have heard your general ideas, but could you state them in a little more concrete form. When might I expect to see television in Calgary?—A. It is hard to predict. It could come under the present policy if a suitable group could get together and make an application and have it granted, or if parliament might say to the C.B.C.: Go ahead and extend your facilities, extend your publicly owned facilities more widely. If they did so, we would be very glad to do it.

Q. You would not put your transmitter out on the Prairies. Rather you would locate it in a center of population, would you not?—A. I think we would naturally try to get to the greatest number of people we could for the expenditure of the money. When you develop a network you can develop repeater stations for that network covering centers and areas outside of the big centers, I mean stations which would not produce any programs of their own, but which would carry what was on the network at a fairly reasonable cost.—

Q. At what distance?—A. Probably each one would cover an area with a diameter of about 100 miles, perhaps more than that on the Prairies.

Mr. OUMET: You are speaking of the big stations?

The WITNESS: Let us say a 5 kilowatt station.

Mr. OUMET: Yes. It would cover 100 miles or more. And in the case of rural areas where interference is less than in cities, the coverage could be extended further.

Mr. SMITH (*Calgary West*): I suppose it would be scientifically true that reception on the Prairies of television, for the same reason, would be much better than it is in almost any other area of Canada?

Mr. OUMET: If you start with a fairly high tower, that is true. There are less obstacles, less natural obstacles in the way. In other words, your horizon can be counted about the same in all directions.

Mr. SMITH (*Calgary West*): In other words, the location of the station would be guided by reasons other than you have been getting at in the location of your own station in Alberta, which is out on the bald headed Prairie, with nobody anywhere near it?

The WITNESS: In television you must start with a much smaller area of coverage. You could not cover both Calgary and Edmonton with a single station. Therefore you would establish one station in Edmonton and another one in Calgary.

Mr. SMITH (*Calgary West*): The factors governing this would indicate the building of a station in the most densely populated area that you could find. That would not apply to sound broadcasting as we have it out there now.

Mr. MURRAY: That would indicate Edmonton, so far as Alberta is concerned.

Mr. SMITH (*Calgary West*): It would. I fooled you that time.

The CHAIRMAN: I thought that your reference was to centers of any population. But you were visualizing it or thinking of it in terms of Calgary as one center of population and Edmonton as another center.

Mr. SMITH (*Calgary West*): I was not comparing Calgary with Edmonton on the matter of intelligence. I admit that they have more numbers.

The CHAIRMAN: You have the committee with you on that.

By Mr. Smith (Calgary West):

Q. So there would be no occasion to build in an unpopulated area?—

A. Not the first one.

By Mr. Henry:

Q. What is the nearest date we can look forward to having television programs in the Toronto area?—A. September 1, 1951.

By Mr. Stewart:

Q. And how soon after that would you have a transmitter in Winnipeg?—

A. As soon as parliament authorizes the finances for it we would get going.

Q. Supposing you had the authority right now, how soon would it be?—

A. I think you would have it early in 1952.

Q. I cannot speak for the chairman, but I can assure you that I shall give my support.

By Mr. Robinson:

Q. This committee in its 1947 report said:

Bearing in mind that parts of Canada do not benefit from Canadian Broadcasting Corporation programs or only get partial benefits therefrom, your Committee recommends that the expansion and development program of the corporation be speeded up...

Mr. Smith has been inquiring as to the intention of the corporation with regard to the extension of television. What would you say has the priority at this time, the extension of television or the expansion of present radio in unserved portions of Canada? Which would have the priority?—A. It is hard to choose between them. We would say that both should proceed together. On the one hand, there are some very urgent cases of outlying areas which do not get proper sound broadcasting service now and which should get service as soon as possible. They will get it as soon as we have the necessary finances. On the general picture there seems to be a wide demand for the establishment of television in the country and I think that both should proceed on a simultaneous basis.

By Mr. Henry:

Q. You said that September 1, 1951, would be the date when television programs would be presented in Toronto. How often would they appear?—

A. That would be a question of cost, as usual. We plan to start by concentrating more on quality rather than on quantity. We shall not try to have just a number of hours of broadcasting per day, but we shall try to get some fairly decent programs with the money we have available. Probably we shall start with one, two, or three hours a day at the beginning and perhaps continue that way for some little time. It would include some programs from the States, but

it would be basically Canadian production done in Toronto or Montreal. On any basis we must realize that there simply will not be the money available for Canadian production that there is in other production centres in the States and Britain. We will have to try to do a good job on relatively smaller funds.

Q. Do you look forward to cooperation with local stations, in putting on local plays, and motion pictures which could be brought into the home by television?—A. It would be both; I mean both remote broadcasting of various kinds and also studio production work. I would ask Mr. Bushnell to comment on that. I do not think you would get satisfaction from televising stage plays.

Mr. BUSHNELL: We shall make use undoubtedly of organized dramatic groups. But for the most part they will be brought to studios and trained there for television production. In my experience it is not very good practice just to train a camera on a stage play. Among the other objectives we intend to cover are one or two children's programs a week. Then we are thinking in terms of special functions which will be picked up and transmitted at the time they are taking place, or possibly put on a film and used, let us say, in newsreel form that evening.

Mr. SMITH (*Calgary West*): You do not anticipate televising the House of Commons, do you?

Mr. BUSHNELL: I would hate to tell you what I have in mind there.

Mr. SMITH (*Calgary West*): And I would hate to hear it, too.

Mr. BUSHNELL: I had a dream one night which even included that.

Mr. FULTON: That must have been a nightmare.

Mr. BUSHNELL: We are not overlooking it by any means among the things which we think should come into television. It is almost dangerous to mention this because we are accused of being long-haired and culturally minded; but there are a great many things in the arts and sciences which to me and my colleagues seem to be very fit subjects for television. One thing we are striving to do is to create in Canadian television something that is distinctively a new art. Television is not photographed radio by any means. Neither, in our opinion, is it just a strip of film. Neither is it a stage play. We think that television includes, or should include all three ingredients but in what proportion we have still to find out, and so have those who have been in it much longer. That, if you like, is our basic thinking.

Our program people are watching television programming both in the United States and in the United Kingdom; and from their experience we hope to be able to put together a limited program service—when I speak of limited I mean it in the qualitative sense—which we think will be first class, in spite of the fact that we know we shall never be able to spend any \$20,000, \$30,000, or \$40,000 on one production. If we can spend \$2,000, that may be the very top limit.

Mr. STEWART: You had a program the other night—I think it was Wednesday night—which would have been delightful if televised. It was called the "Bull Frog Musical Festival".

Mr. SMITH (*Calgary West*): Who played the part of the bull frog?

Mr. STEWART: They had lots of talent. The usual training of personnel is being undertaken in the training of artists in readiness for television?

Mr. BUSHNELL: Very little at the moment, because in Montreal we do not have any facilities for training. However, in Toronto at the present time we have the Barracks Building, and as soon as we can get some cameras and other equipment, we shall begin the training of talent.

Mr. STEWART: You are now trying to train producers by sending them to other centres?

Mr. BUSHNELL: We are exposing them to television in other centres.

Mr. HENRY: Have you anything in view as to the desirability of covering hockey broadcasts by television?

Mr. BUSHNELL: We have given it a great deal of thought.

Mr. HENRY: Do they not do it in the States?

Mr. BUSHNELL: They do.

Mr. HENRY: Do you think it would work in Canada, which is such a wide country?

Mr. BUSHNELL: I watched a hockey game coming from Buffalo which was picked up locally. I heard 22 goals scored, but I did not see a puck in the net. Other people who have seen hockey televised in the Detroit area tell me that it is very well done. The B.B.C. tell me that they do ice hockey extremely well and I imagine it can be done. Probably by the time we are on the air equipment will have been improved so that we can make a success of it.

The CHAIRMAN: It is nearly 12 o'clock, the adjournment time, and we have not settled yet whether we would have an afternoon meeting today. I think it was said last night that we had better settle the question between 10 and 12. It is obvious that this subject is not concluded. I am sure there must be a great many more questions that the members will want to ask. What is your view about having a meeting this afternoon?

Mr. FULTON: I am against it.

Mr. STEWART: Better to have it this afternoon than tonight.

The CHAIRMAN: If we do not have one this afternoon, I do not think there would be a Chinaman's chance of having one this evening.

Mr. SMITH (*Calgary West*): This is Friday night. I think much depends on the convenience of the people who are here in connection with television. I would hate to hold these people over the weekend. However, Mr. Fulton says he is against it. I think we should consult the convenience of the people who are here.

The CHAIRMAN: What about it? What can you contribute to this, Mr. Dunton? You will be back again next Thursday anyway.

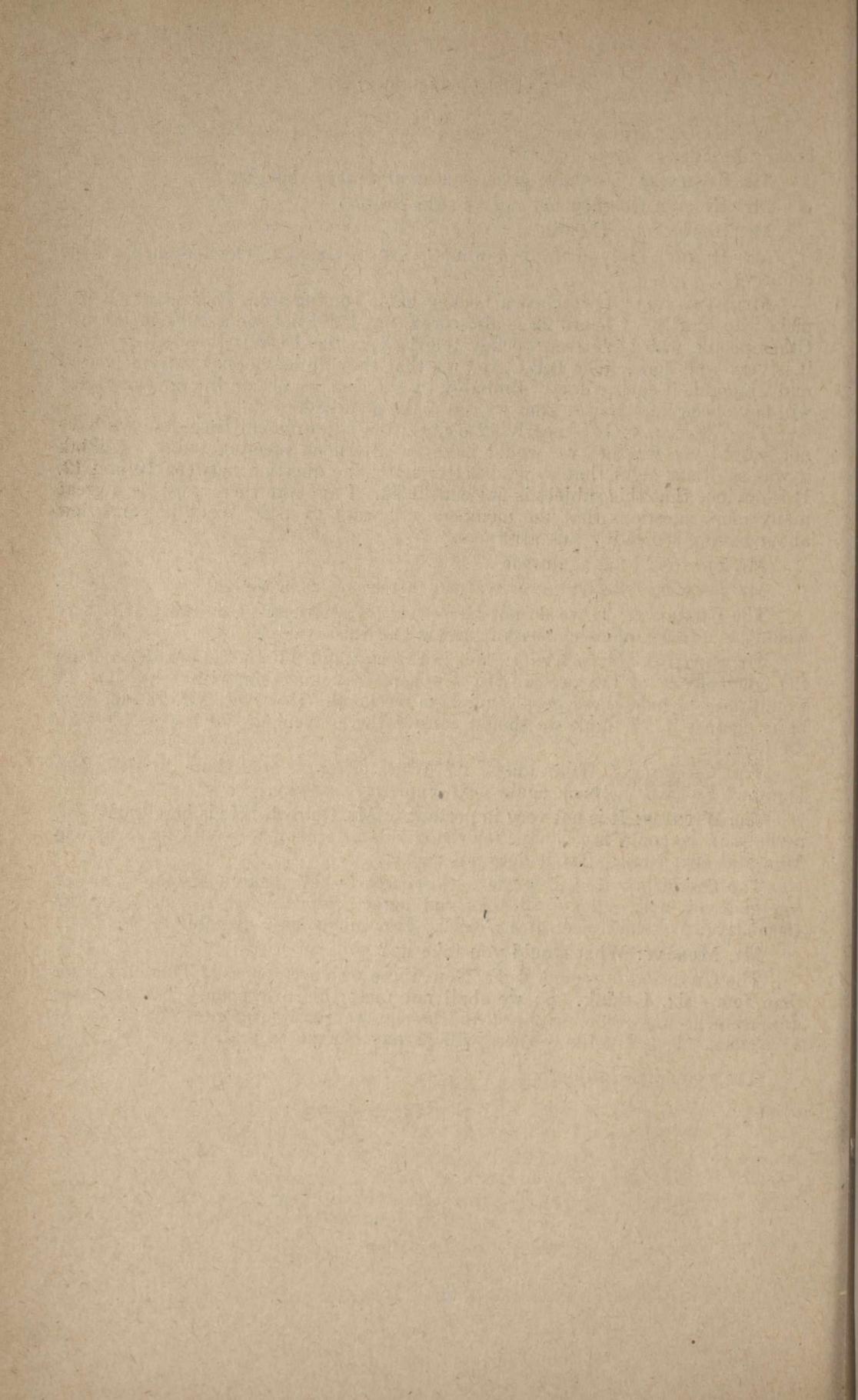
The WITNESS: It is not very important to Mr. Ouimet. He is here today and perhaps if we could finish with television this afternoon we could leave him in Montreal next week. But it does not matter.

The CHAIRMAN: Let us settle it this way: I shall make a statement pro or con and you will indicate whether you agree with it. Let us put it in the affirmative: We shall meet at 4 o'clock. How many are agreeable to that?

Mr. MURRAY: What would you take up?

The CHAIRMAN: I count four. Now, those who are opposed? There are more than four—six, I think. So we shall not meet this afternoon. The time for adjournment has come. Subject to change, we shall meet next Thursday at 11 o'clock. It is not likely there will be any change in that.

The committee adjourned.



SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, JUNE 1, 1950.

WITNESSES:

- A. Davidson Dunton, Chairman of the Board of Governors.
- Augustin Frigon, General Manager.
- J. A. Ouimet, Chief Engineer, Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1950

SPECIAL COMMITTEE
on
RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspé*), Esq.

Messrs.

Balcèr	Gauthier (<i>Sudbury</i>)	Robinson
Boisvert	Hansell	Riley
Cote (<i>St. John-Iberville-Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary West</i>)
Diefenbaker	Kirk (<i>Antigonish-Guysborough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE.

MINUTES OF PROCEEDINGS

THURSDAY, June 1, 1950.

The Special Committee on Radio Broadcasting met at 4 o'clock p.m. Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Smith (*Calgary West*), Stewart (*Winnipeg North*). (11)

In attendance: Messrs. A. D. Dunton, Augustin Frigon, E. L. Bushnell, J. A. Ouimet, H. Bramah, René Landry, G. Young, H. Palmer, G. W. Richardson, S. Schnobb and R. Santo of the Canadian Broadcasting Corporation.

The Chairman identified the following mimeographed statements, copies of which were distributed on May 31st:

1. Financial statements from 1938-1949.
2. Expenditures by departments and object (1948-49).
3. Tentative projections of revenue and expenditures.
4. Loans.
5. Expenditures to March 31, 1950.
6. Licensing and regulations.
7. Estimated extensions to present coverage.

Mr. Fleming suggested that these be printed. The decision was deferred.

The following were also tabled and distributed:

1. Plans relative to financing television (Advance estimates.)
2. Report on CBC operations at Winnipeg during the recent Manitoba Flood Emergency, dated May 29, 1950.

No. 2 above (Report on, etc.,) was ordered printed as an appendix (*See Appendix to this day's minutes of proceedings*).

The Chairman read a letter dated May 31st, 1950, from Mr. Joel Aldred of Toronto, requesting an appearance.

After discussion, Mr. Smith (*Calgary West*) moved that Mr. Aldred be heard.

After further discussion, and with the consent of the Committee, Mr. Smith withdrew his motion.

On motion of Mr. Henry,

Resolved,—That Mr. Aldred be asked to particularize the evidence he intends to give and that the decision to grant his request to appear be deferred.

The Committee then resumed its consideration of the question of television.

Messrs. Dunton, Frigon and Ouimet were jointly examined.

Mr. Stewart (*Winnipeg North*) occupied the Chair until adjournment.

At 5.50 p.m., the Committee adjourned until 8 o'clock this day.

EVENING SESSION

The Special Committee on Radio Broadcasting met at 8 o'clock. Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Boisvert, Cote (*St. John-Iberville-Napierville*), Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Kent, Maybank, Murray (*Cariboo*), Richard (*Ottawa East*) Smith (*Moose Mountain*), Smith (*Calgary West*), Stewart (*Winnipeg North*). (13)

In attendance: From *Canadian Broadcasting Corporation*: Same as at afternoon meeting. From *Department of Transport*, Mr. W. A. Caton.

Messrs. Stewart (*Winnipeg North*) and Maybank paid tribute to CBC Winnipeg officials for their sense of duty during the Manitoba Flood operations.

Mr. Dunton was called and examined on programming. He was assisted by Messrs. Frigon and Bushnell.

The Chairman filed with the clerk a copy of his reply to Mr. Joel Aldred of Toronto.

On motion of Mr. Stewart (*Winnipeg North*),

Resolved,—That the Committee asks permission to sit in Montreal on Monday, June 5th next, and that the Clerk do accompany the Committee.

It was agreed that the Chairman report accordingly.

At 10 o'clock p.m., the Committee adjourned until 10 o'clock a.m. Friday, June 2nd.

ANTONIO PLOUFFE,
Clerk of the Committee.

APPENDIX

REPORT ON C.B.C. OPERATIONS AT WINNIPEG MANITOBA FLOOD EMERGENCY—1950

It may be said quite fairly that in the very earliest stages of the flood emergency C.B.C. Winnipeg was alive to the possibilities of grave trouble. Without waiting for the disaster to assume major proportions the C.B.C. Prairie Regional headquarters recognized that radio broadcasting might have a very vital role to play, and on its own initiative took precautionary action in the public interest.

In the week beginning April 10 the matter was reviewed at local operational meetings of C.B.C. program and technical staff. This was in accordance with the standard procedure outlined in an internal C.B.C. directive on emergency news operations issued by the General Supervisor of Programs on September 26, 1949.

On Friday, April 14, Mr. J. N. Mogridge, Manager of CBW got in touch with local Red Cross officials, and prompted the calling by that organization of an emergency meeting of municipal and other interested agencies including the C.B.C. to discuss preliminary plans for co-operative flood action. The meeting took place the same evening, April 14, at 8.00 p.m. in the Red Cross Headquarters.

On Thursday, April 20, as part of its normal responsibility of reporting on current events and developments of public interest, C.B.C. Winnipeg contributed its first three-minute commentary on the Manitoba Flood situation to C.B.C. News Roundup. This was heard nationally on the Trans-Canada network at 10.15-10.30 p.m. E.S.T.

On the following morning, April 21, at 9.45-10.00 a.m., the C.B.C.'s 50,000 watt provincial transmitter CBW carried a fifteen minute interview with Mr. R. G. B. Dickson, President of the Manitoba Division, Canadian Red Cross, concerning plans which had been made to cover possible flood emergencies in Manitoba. At 11.00 a.m., CBW broadcast a bulletin from the Provincial Department of Public Works, Highways Branch, that Highway 75 was impassable from Morris to Emerson.

Also, on April 21, CBW Manitoba began the first of a series of daily quarter-hour flood broadcasts at 12.00 noon to 12.15 p.m., Central time. The purpose of these broadcasts was to provide comprehensive and authoritative up-to-the-minute information to listeners throughout Manitoba, and especially to those people in the Red River Valley who were already involved or directly in the path of the rising waters. The overall survey included progressive river-level readings at points along the Red River from Fargo, N.D., to Winnipeg, and along the Assiniboine River from Brandon to Winnipeg, supplied by the Manitoba Department of Public Works, Drainage Branch, a report on road conditions from the Highways Branch, official weather reports and forecasts from the Dominion Meteorological Office, Red Cross bulletins, and a variety of announcements from kindred organizations. This one series of programs alone proved to be of extreme importance in keeping the public informed on flood developments.

The programs have continued on a daily basis, including Sunday, since April 21, and they will continue to be broadcast for some time until the need is completely ended.

The flood situation continued to deteriorate, and this was reflected increasingly in such provincial programs as the daily Manitoba Farm Broadcast heard on CBW at 12.15-12.45 p.m. Actually broadcasts given by C.B.C. commentators on the spot were introduced during the week of April 23, when the full force of the flood descended on Southern Manitoba.

On Friday, May 5, the flood level reached the 1948 peak of 23.4 feet above datum at Winnipeg. At 3.00 p.m. the decision was taken to keep the provincial transmitter CBW on the air all night, and to continue twenty-four hour operation for the duration of the emergency. The Premier's Office at the Legislative Building was informed of the action, and at the same time it was stressed that the full facilities of station CBW and co-operation of the C.B.C. were being placed at the disposal of the provincial authorities for use at any and all times.

On Saturday May 6, the Premier of Manitoba proclaimed a state of emergency and appointed Brigadier R. E. A. Morton, G.O.C. Prairie Command, as Director of Flood Relief.

Immediately the C.B.C. contacted the army authorities and repeated its statement of fullest co-operation, including the unrestricted use of all available C.B.C. facilities. A very close liaison was quickly effected between the Provincial Flood Control Headquarters in the Legislative Building and our own Flood Control Desk at C.B.C. Studios. This continued on a twenty-four hour basis throughout the emergency, and still exists at the time of writing. For the first week either or both the Regional Representative and the Manager of CBW were at the C.B.C. Flood Control Desk night and day. Later on shifts were organized with two additional senior officers joining the station manager.

Over the week-end of May 6-8 C.B.C. Winnipeg took steps to organize on the basis of the worst possible eventualities. An appraisal of the situation suggested the following four points in order of importance:—

Provincially—1.

As the principal means of keeping the public of Manitoba informed *via* radio it was imperative to keep the C.B.C.'s 50,000 watt provincial transmitter CBW on the air, with the fullest possible protection of our studio to transmitter link between Winnipeg and Carman. The fact that the other Winnipeg stations were in danger of going silent because of transmitter location and difficulties of power supply emphasized this need.

Nationally—2.

The necessity of supplying eye-witness news reports and actuality reports to C.B.C. networks for the benefit of the national and international audiences.

C.B.C.—3.

The desirability of maintaining regular network feeds and operations in and out of Winnipeg. Since normally C.B.C. Winnipeg is the co-ordinating point between the eastern and western networks, and is heavily involved in the recording and delaying of network programs due to time-zone difficulties, there would be much added confusion and congestion in network-line traffic if operations were transferred elsewhere.

CBK—4.

It was desirable to continue normal programming of CBK Saskatchewan, located at Watrous, from Winnipeg, because its coverage included large areas of Manitoba, and it provided additional insurance in reaching the public quickly by radio.

It should be recalled that during this anxious period, when the pressure on staff was at its peak to maintain and protect broadcasting activities, that many members of our staff of 95 became personally involved in the flood disaster.

Eventually thirteen staff homes were flooded, thirty-one members of staff were evacuated, and seventy-six members of staff families were evacuated out of the city. It was natural that those of our staff with families, dependents, or relatives should wish to secure the safety of their own people, and to fight for the protection of their homes and effects. As the water came up in many cases the fight for protection was abandoned, and it remained then to salvage whatever personal effects could be carried away by hand within the shortest time. This done, each individual reported back on the job, ready to devote his or her full energy to the job of broadcasting.

Meanwhile the essential job of maintaining broadcast service went ahead. By telephone C.B.C. Management had already confirmed and approved the action taken locally to place every facility at the service of the authorities. The fullest reassurance of support and reinforcement in every field was given without reserve by National Headquarters, and every request from the region was implemented immediately. The manner in which our National Organization was able to respond, almost at once, to the great and urgent need for bolstering our technical facilities heartened everybody on the staff.

In the matter of protecting CBW studio operations, it was realized that normal power supply, telephone and line communications were no longer assured, and we might be thrown entirely on our own resources.

A 25-kilowatt standby power plant was secured locally and installed by C.B.C. technical staff. On May 8, two C.B.C. engineers were flown in from Montreal, and two arrived from Toronto to assist in emergency installations. The diesel-electric generator was set up on a six-foot high platform of railroad ties, outside the Manitoba Telephone Building, where C.B.C. Studios are located. This was wired into our normal power circuits and was tested, ready for instant use, by 6.00 a.m. Wednesday May 10. Emergency battery-operated equipment and lighting further assured continuity of operation at the studios.

Normal telephone and telegraph lines in the downtown area are largely in underground cable, and arrangements were made to install temporary overhead circuits between the Canadian National Telegraph and Canadian Pacific Telegraph offices and ourselves. Additionally a shortwave transmitter was installed on top of the Telephone Building to feed CBW Transmitter at Carman in the event of total line failure, with F.M. and A.M. radio links between Flood Control Headquarters at the Parliament Buildings, CBW Studios, and other operational points. The completion of these projects with the utmost haste secured the immediate situation with regard to technical facilities. Incidentally the limitations of the local loop situation prevented our feeding the special CNT circuit to Fort Frances until the emergency overhead loops were installed.

From May 13 to May 26 inclusive the full twenty-four hour program schedule of CBW was fed to CKFI Fort Frances as authorized by C.B.C. Head Office, for the benefit of listeners in that area of northwest Ontario.

On May 5, after consultation with provincial authorities the C.B.C. arranged a local network, to link CBW with the four private stations in Winnipeg. This was kept available at a moment's notice to afford blanket coverage of the Greater Winnipeg area for the use of the authorities. The "city network" has been used frequently since Sunday May 7, when Brigadier Morton first spoke to Manitoba citizens on measures for flood control.

During the week of May 7 to 13 an Emergency Planning Committee was set up, composed of service and civilian experts to devise plans for coping with the emergency in any eventuality. The Communications Sub-committee comprised a small group of key executives from Army Signals, Canadian Pacific

Telegraphs, Canadian National Telegraphs, Manitoba Telephone System, and the C.B.C. The Regional Engineer, Mr. R. D. Cahoon was the C.B.C. appointee on this Committee. A Public Information Sub-committee comprised Major R. J. Bower, Reserve Army, representing the Province of Manitoba, with Mr. J. Gordon of the Winnipeg Tribune for the press, and the C.B.C. Prairie Regional Representative, J. R. Finlay for radio.

The Operational Plan, which fortunately has not been required to be put into effect, stated that: "So far as possible all radio stations in greater Winnipeg will be maintained in service. In any event CBW will by use of an independent power unit, linked with its transmitter at Carman, be available and fully operative."

The waters continued to rise, and CBW's service became increasingly devoted to broadcasting official announcements and personal messages. As the evacuation increased, and as ordinary telephone and other communication came to an end in many parts of Southern Manitoba and Greater Winnipeg itself, the number of personal messages increased tremendously. As many as six girls at one time were kept busy at the telephone taking down messages for broadcast. During a peak period of ten days some eight thousand messages were broadcast on CBW, and the total during the emergency approximates ten thousand. In the absence of other communication thousands of distressed and anxious people were put in touch with one another. Day after day, the two telegraph companies sent us long lists of undelivered telegrams, and later reported that an astonishing proportion of these had been claimed because of radio announcements. Because the C.B.C.'s Saskatchewan transmitter CBK at Watrous is fed from C.B.C. studios at Winnipeg we were able to offer the facilities of that station to reach evacuees located in that province.

A number of messages were handled in this way. In Winnipeg the C.B.C. also offered help to the private stations in the use of its facilities, where possible. Some twenty discs of actuality broadcasts were dubbed off tape for station CJOB, and other recordings were made available to private stations and Inland Broadcasting Company.

In the national picture the full resources of C.B.C. Winnipeg were drawn on to tell the story of what was happening in Manitoba. Numerous special program feeds of eye-witness reports and actuality broadcasts were arranged, often on the shortest possible notice. These included reports to the C.B.C. National networks in Canada, to C.B.C. International Service for broadcast overseas and for B.B.C., line feeds to Toronto for A.B.C., N.B.C., and other American networks. As many as eight separate locations reported in a single broadcast on "Saturday Magazine". C.B.C. Winnipeg contributed four consecutive half-hour broadcasts to this Saturday series of on-the-spot programs. During the peak period News Roundup carried a story from Winnipeg every night, and from May 14 to May 22 special five-minute flood reports were broadcast twice daily on the Trans-Canada networks. A list of these activities is attached as Appendix I.

Throughout the whole period C.B.C. Winnipeg managed with one or two slight exceptions to maintain its normally heavy network activity, with CBW being programmed independently of network operations. It was necessary to cancel only three live musical broadcasts, because of the difficulty in securing musicians on May 12 and 14. The Winnipeg Sunday Concert was cut from one hour to thirty minutes for two occasions, May 21 and 28, because of pressure on facilities and personnel, and also because of failure of air conditioning in studios, due to the flood. All our studios have been without ventilation and full plumbing facilities from May 5 to the present time.

In all our emergency operations C.B.C. Winnipeg has enjoyed the confidence and fullest cooperation of the Provincial authorities, all branches of the Armed Forces, Police and Municipal authorities, Red Cross, and many other organizations.

When the Manitoba Relief Fund was organized the C.B.C. was called, along with private stations, to discuss measures for publicizing the Fund. Immediately the offer was made and accepted for the C.B.C. to arrange blanket coverage of Canada by providing a national network which combined the Trans-Canada and Dominion networks and all off-network stations from coast to coast.

This exploratory meeting was held on Saturday May 13. The following day at 9.00-9.30 p.m. C.D.T., Sunday, May 14, the C.B.C. presented the National News, Premier Campbell of Manitoba, Mayor Garnet Coulter of Winnipeg, Chief Justice E. K. Williams, and Brigadier R. E. A. Morton, Director of Flood Relief, in a special broadcast appeal which was offered to all stations in Canada.

Blanket coverage of Canadian stations was again arranged on Tuesday, May 16, cancelling the first five minutes of the C.B.C. National News at 10.00-10.05 p.m. E.D.T., for a further broadcast appeal by Chief Justice Williams.

C.B.C. Winnipeg arranged a number of "city network" periods for the use of the Manitoba Flood Relief Fund Committee, including a special inter-church appeal made jointly by prominent Protestant, Roman-Catholic and Jewish clergy. CBW itself is also carrying frequent station break announcements and special programs on behalf of the Fund. Contributions received at the station include those from United States listeners as well as Canadian; they come from places as far distant as St. Agathe des Monts, Quebec, Vancouver, B.C., North Platte, Nebraska, and Puposky, Minnesota, and to date total just under \$2,000.

On Friday May 26, C.B.C. Winnipeg contributed a six-minute episode to the special one-and-a-half hour variety program presented by the combined efforts of the Radio Broadcasting industry generally in aid of the Manitoba Relief Fund, which was heard throughout North America on Seven Hundred and Twenty-nine stations.

It is not possible to assess with any exactitude the amount of air-time devoted by CBW to the flood emergency except to say that the entire program schedule was arranged with a view to repeated and frequent interruptions, sometimes for hours at a time, occasioned by service announcements of one kind or another.

It is noteworthy that CBW Transmitter has now been on the air day and night since the regular sign-on on Friday May 5, for a total period (up to June 1 incl.) of 28 days. In all this time only five-and-a-half minutes have been lost due to the transmitter being off the air for adjustment. This is in itself a remarkable achievement, and a credit to the transmitter staff at Carman, who have maintained a long and careful vigil throughout.

C.B.C. Winnipeg is greatly indebted to the communication companies for the very high degree of efficient service provided under difficulties. The Canadian National Telegraphs, the Canadian Pacific Telegraphs, and the Manitoba Telephone System were extremely cooperative in meeting our requirements, wherever possible, and with a minimum of delay.

The private broadcasting stations of Winnipeg did a fine job in maintaining their broadcast services, under great difficulty. Station CKRC as C.B.C. Dominion network affiliate deserves special commendation for continuing to handle delayed network operations, and also for readily accepting the added responsibility of contributing a nightly Flood bulletin to the Dominion network news. CKRC, CJOB, CKY, and CKSB St. Boniface readily co-operated on a number of occasions to carry important broadcasts to Manitoba listeners.

Finally, as Prairie Regional Representative, I wish if I may be allowed, to add a brief personal comment on the C.B.C. activities that have been carried out at Winnipeg during the past few weeks.

My first thought is to express the most profound admiration for the way in which everyone of the Winnipeg staff has responded, far beyond what might have been reasonably expected. Indeed the chief difficulty has been to restrain the enthusiasm of the staff, who were reluctant to leave the job after many hours of work, during which there was little respite. Announcers, operators, newsroom, clerical, administrative and production staffs all have worked loyally and efficiently.

Some have been in the limelight more than others, but to name names and draw comparisons would be invidious as well as unnecessary. The C.B.C. staff at Winnipeg has simply worked together as a unit, supported and comforted by the ready assistance and resources of our National Organization.

For most of us who had always felt the C.B.C. to be a great force in Canadian life, there came the full impact of what the C.B.C. really stood for. In this period of crisis we have realized in a most emphatic way what it means to be a national radio system operating in the public interest. Each of us here is very proud to be part of this Organization, and to have the privilege of contributing our individual services.

APPENDIX I

List of Special Network Items Originated by C.B.C. Winnipeg During the Manitoba Flood Emergency

April 20—First flood report fed to Canadian Chronicle and News Roundup by Henry Provisor.

April 21—Liston Burns general flood report fed to Canadian Chronicle.

April 23—Liston Burns general flood report fed to Canadian Chronicle.

April 25—Norm McBain fed general flood report to Canadian Chronicle and News Roundup.

April 27—Liston Burns and Norm McBain, on day-long trip to Emerson, recorded 15-minute interview for "Here and There" and items for "Saturday Magazine". Liston Burns fed report on trip to Canadian Chronicle and News Roundup.

April 28—Liston Burns gave 1.00 p.m. CDT-CBW News 1-minute report on flight over flood area.

April 29—Saturday Magazine flood item—Maurice Burchell—actuality—Lombard Ave. dike—Frank Carpenter with Red Cross report—Norm McBain reporting from flooded Emerson—Liston Burns reporting from flooded St. Jean—Peter Whittall on farm flooding—Bob Wilson reports from flooded West Kildonan—George Kent reports from Elm Park—Navy Officer reports on pumping work—Liston Burns reports from R.C.M.P. Headquarters where emergency communications set up.

April 30—Liston Burns—general flood picture to Canadian Chronicle.

May 1—Jean Hinds on flood refugee story for News Roundup.

May 2—Liston Burns flew over the area in the morning and did one-minute report on flight for CBW 1.00 p.m. News, and fed three minute reports to Canadian Chronicle and News Roundup. Also fed four-minute report by Rene Dussault to I. S. French Section.

May 4—Liston Burns did eye-witness report on dike, and Del MacKenzie did an eye-witness report on conditions in Morris and St. Jean.

May 5—Norm McBain wired an eye-witness report to News Roundup (lines to the East were out). Del MacKenzie did a special report for the Central and Mountain News Bulletin on conditions south of Winnipeg.

May 6—Saturday Magazine flood item—Frank Stanley reports Black Friday disaster, setting Magazine scene—Maurice Burchell views scene from M.T.S. Building—Del MacKenzie reports on breaching of Riverview—Mary Elizabeth Flanders reports by phone from her flooded home in Elm Park—Norm McBain visits sunken Morris by Army Dukw—Peter Whittall reports on Farm Damage—Jean Hinds reports on evacuee care—Liston Burns reports from the Air on overall picture.

May 6—Bob Wilson announcer, did five-minute flood report for the East network, at 8.05 a.m. C.D.T. At night a special reporter (Norm McBain) fed an actuality item into the Night National News.

May 7—Wilf Carpentier—five minute report to National News.

May 7—Norm McBain fed general flood report to Canadian Chronicle.

May 7—Brigadier R. E. A. Morton to city network of Winnipeg stations (9.30-9.40 p.m. C.D.T.).

May 7—Flood Report in Winnipeg Sunday Concert to Trans-Canada—10.00-10.05 p.m. C.D.T.

May 8—Wilf Carpentier—five minute report, 7.05-7.10 a.m.

May 8—Norm McBain fed general flood roundup to Canadian Chronicle and News Roundup.

May 8—Report to French network and International Service—J. C. Chapais.

May 8—Flood actuality to Trans-Canada Network 6.15-6.30 p.m.

May 9—James Chafe fed flood history for I.S. Talks Department. Norm McBain and Roy Cahoon fed interview on flood losses to Canadian Chronicle and News Roundup. Magnus Talgoy fed flood report for Norwegian Section.

May 10—Liston Burns and Kay MacIver fed report on evacuation of St. Vital for Canadian Chronicle and News Roundup. Burns also did evacuation item for midnight news.

May 10—Brigadier Morton report—to city network.

May 10—Wilf Carpentier—five minute report, 7.10-7.15 a.m.

May 11—Liston Burns did a special on-the-spot report on the breaching of the East Kildonan dike for CBW and also for the Toronto newsroom. Norm McBain did an eye-witness flood report for News Roundup. Announcer Carr Pecknold did a special report for A.B.C. Norm McBain did a special report for N.B.C.

May 11—Helge Pearson fed flood report for I.S. Swedish Section. Liston Burns did train evacuation item for N.B.C. and also a similar item for Canadian Chronicle and News Roundup.

May 11—Premier Campbell report—to city network.

May 12—Norm McBain did an eye-witness report of the flood scene for A.B.C., following a helicopter trip. Liston Burns did a hospital evacuation item for News Roundup.

May 12—Premier Campbell report—to city network.

May 13—Mayor Coulter report to city network, 1.00-1.05 p.m. CDT.

May 13—Amos Nannini recorded ten-minute item on flood for Italian Section of I.S.

May 13—Saturday Magazine flood story—Liston Burns sets scene with overall report from roof of M.T.S. Building—George Kent interviews Navy frogmen—Norm McBain reports from Norwood dike—Maurice Burchell reports firsthand on situations at Norwood Bridge, Wildwood, Elm Park—St. Vital, and West Kildonan—Carr Pecknold reports on telephone communications and speaks to doctor in isolated Emerson by phone—Del MacKenzie reports from Red Cross evacuation centre—Kay MacIver reports on personal evacuation of St. Vital—Bob Willson and Brigadier Morton report from flood control headquarters.

May 13—Kate Aitken report—to N.B.C., 3.30-3.45 p.m. CDT.

May 14—Premier Campbell report—to city network 9.30-9.37 p.m. CDT.

May 14—9.45-9.55 a.m. CDT—Address in Ukrainian by Bishop Roberecki (CBW only).

May 14—Liston Burns fed a one-minute item on iron lung evacuation for Eastern, Mountain and Pacific networks. Also gave a longer item on the same subject to A.B.C. Announcer Maurice Burchell did a network item on the evacuation of the Assiniboine Norwood Bridge area of Winnipeg. Bernard Trotter, Charles Gunning, did an item on flooded St. Vital following National News.

May 14—5.00-5.15 p.m. CDT—Hon. Brooke Claxton to C.B.C. network and City network.

May 14—9.10-9.30 p.m. CDT—Premier Campbell, Mayor Coulter, Chief Justice Williams, and Brigadier Morton to C.B.C. network (all stations).

May 15—11.10-11.15 a.m. CDT—report to C.B.C. network (Norm McBain).

May 15—4.30-4.45 p.m.—Report to French network J. C. Chapais.

May 15—Liston Burns and Mary E. Flanders did a general flood plus evacuation train report for News Roundup. Norm McBain did special isolated sanatorium item.

May 15—9.30-9.35 p.m.—Premier Campbell to city network.

May 16—Fenna Schortinghuis fed ten-minute flood report for Dutch Section of I.S. Liston Burns fed 'IF' plan for News Roundup and Canadian Chronicle. Also voiced eight-minute history of valley floods for possible B.B.C. use.

May 16—Bernard Trotter did an item on the St. Boniface dike with emphasis on material, effort put into its building. Farm commentator Peter Whittall did an item for News Roundup on damage suffered by Red River farmers. Del MacKenzie, Newsroom reporter, did a special item, five minutes for network, on the tribulations of the farmers in south St. Vital. Norm McBain did a special five-minute network item on evacuation billeting at United College.

May 16—6.00-6.05 p.m.—Department of Health talk to city network.

May 16—7.30-7.35 p.m.—Alan Watson, Red Cross—to city network.

May 16—9.00-9.05 p.m. CDT—Chief Justice Williams to C.B.C. network (all stations). 9.30-9.35 p.m.—Premier Campbell to city network. 9.35-9.40 p.m.—Manitoba Teachers Society, to city network. 9.40-9.45 p.m.—Department of Health, Dr. Gordon to city network.

May 17—Helge Pearson fed Swedish item on floodway for I.S.

May 17—Liston Burns did an item on the proposed floodway for News Roundup. Newsroom reporter, Jack Brickenden, did a five-minute special on looting. Bernard Trotter did a five-minute special on the logistics of the Norwood dike.

May 17—9.30-9.35 p.m.—Campbell Haig to city network.

May 18—Norm McBain and Brigadier Morton did an item for News Roundup—Del MacKenzie did a five-minute network special on the West Kildonan flooded area. Norm McBain did a five-minute special on evacuee dogs.

May 18—Liston Burns fed item on flood commuting for relay to B.B.C. Radio Newsreel, and also fed item on Winnipeg as an emergency centre for Canadian Chronicle.

May 18—1.45-1.50 p.m.—D. G. McKenzie, President of Manitoba Civil Service Association—report to city network.

May 18—9.30-9.35 p.m.—Premier Campbell report to city network.

May 19—Liston Burns recorded thirty-minute Icelandic Commentary for shipment. Fred McBain and Whittall agricultural flood report for Canadian Chronicle and News Roundup. Liston Burns and Brigadier Morton item — fed to A.B.C.

May 20—Del MacKenzie did a special report, five-minutes to the network following a flight to Morris in an R.C.M.P. aircraft. Saturday Magazine flood story—Brigadier Morton reports from Flood Control Headquarters. Maurice Burchell reports on Navy's flood activities. Bob Willson reports for the Army and George Kent reports for the Air Force. Ruth McLintock reports from Regina on Welfare of evacuees. Kay MacIver reports on same from Winnipeg Beach. Bernard Trotter reports on stay-at-homes. Norm McBain gives flood report from Helicopter. Liston Burns reports from R.C.A.F. Dakota which has just flown south and is now over Winnipeg.

May 21—Bernard Trotter did a special five-minute network report on the flood pumps.

May 21—Liston Burns fed two seven-minute items by Ivor Holm for Norwegian Broadcasting System and for I.S. Norwegian Section. Also fed one weekend report by Burns for Canadian Chronicle.

May 22—9.30-9.35 p.m.—Premier Campbell—report to Winnipeg City network.

May 22—Norm. McBain did a Roundup item on the Prime Minister's press conference. Norm. McBain did a five minute network special following a helicopter flight over the flood areas. Kay MacIver did a five-minute network special following a visit to the evacuees at Winnipeg Beach.

May 23—Brigadier Morton reviewed the evacuation situation for News Roundup. Kay MacIver did a two-minute item on Deer Lodge Military Hospital which was fed into the 6.30 p.m. CDT CBW News Bulletin.

May 23—Metcalfe item on newspaper flood work for relay to B.B.C. Radio Newsreel. Flander's item on Victoria Day flood situation to Canadian Chronicle.

May 24—Liston Burns fed fourteen-minute talk on flood history and future for B.B.C. home radio, and health report by Norm. McBain for Canadian Chronicle and News Roundup. Recorded ten-minute talk by Mr. Stewart of South African High Commissioner's office for relay to S.A.B.C.

May 25—Fed Metcalfe flood seeding report to Canadian Chronicle and Arthur Anderson flood seeding report to I.S. Swedish Section. Liston Burns fed item on lifting of evacuation order to Canadian Chronicle. Norm. McBain did an actuality on the start of the organized clean-ups in the flooded areas for News Roundup.

May 26—7.30-9.00 p.m.—Winnipeg contributed five and a half minutes to Radio Industries Relief Fund Broadcast.

May 26—7.00-7.10 p.m. Relief Fund appeal to city network. 9.30-9.35 p.m.—Mayor Coulter on rehabilitation—to city network.

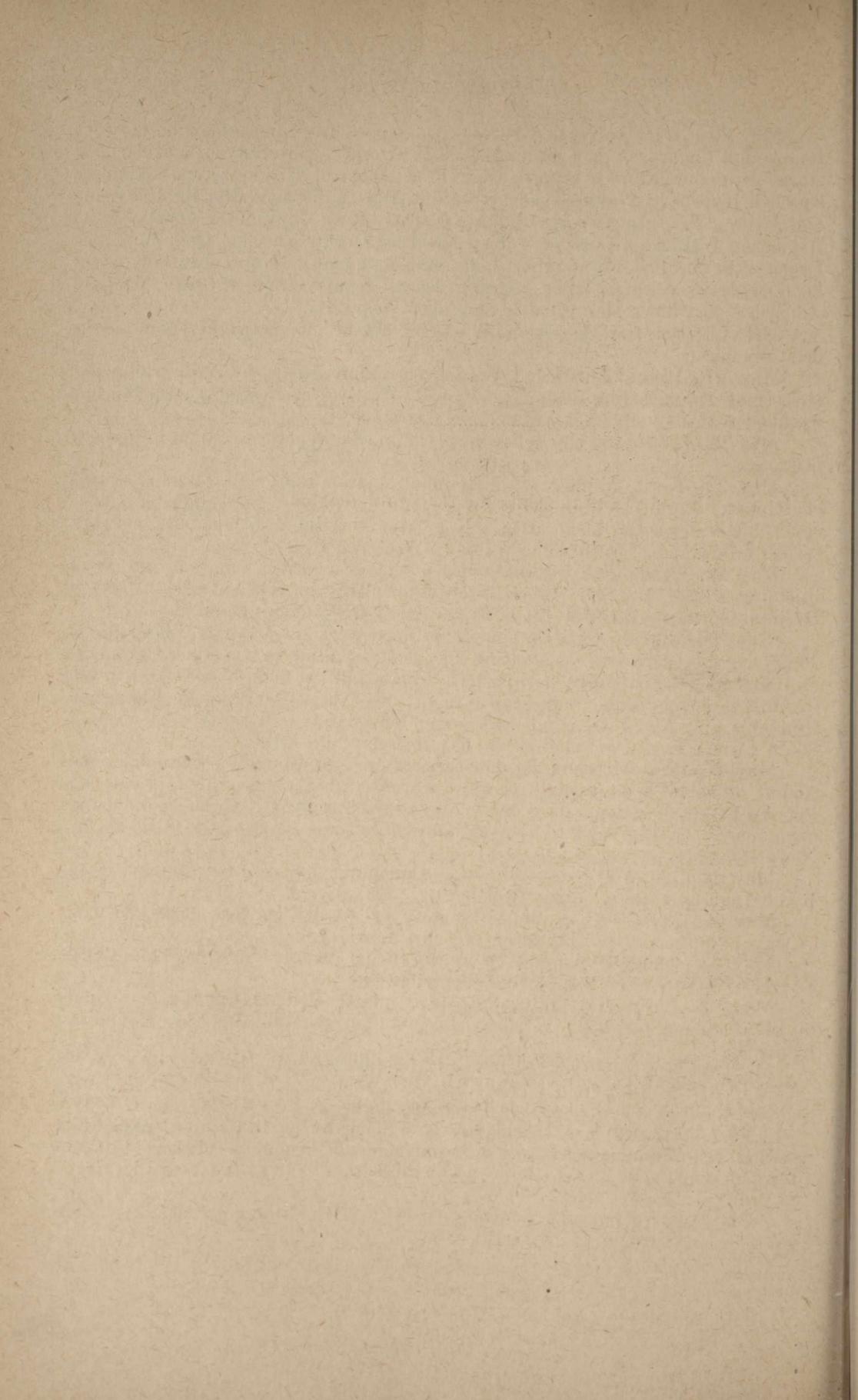
May 27—3.30-3.35 p.m.—Five minute flood item on Saturday Magazine, arrival of BOAC plane with British contributions.

May 27—Burns and McBain recorded quarter-hour description of arrival of BOAC plane for B.B.C.—Burns did item on rehabilitation for Canadian Chronicle.

May 29—Kay MacIver fed item to Monday Magazine on rehabilitation.

May 31—9.15-9.20 p.m. CDT—Premier Campbell to Trans-Canada national and city network (with repeat on Dominion network—10.10-10.15 p.m. CDT).

June 1—9.15-9.20 p.m.—Brigadier R. E. A. Morton to Trans-Canada full network and city network—(with repeat on full Dominion network—10.10-10.15 p.m. CDT).



EVIDENCE

HOUSE OF COMMONS,
THURSDAY, June 1, 1950.

The Special Committee on Radio Broadcasting met this day at 4 p.m. The Chairman, Mr. Ralph Maybank, presided.

The CHAIRMAN: Gentlemen, we have a quorum. Last evening Mr. Plouffe, the clerk, received a considerable number of papers and immediately sent them around to all of the committee members. He did not have an opportunity at the time to cover them with a letter as he would have wished to have done, but you must all have them, and I will identify them now.

No. 1, Financial Statements for the years 1938-39 to 1948-49.

No. 2, Expenditures by department, and object. That was requested, I think, by Mr. Fleming, or it might have been Mr. Smith.

Mr. Fleming: That is just for the year 1948-49.

Mr. SMITH (*Calgary West*): It was not requested by me.

The CHAIRMAN: No. 3, Tentative Projection of Revenues and Expenditures.

4. Loans.

5. Tentative Statement of Expenditures to 31st March, 1950, referring to Newfoundland.

6. Statement on Licensing and Regulations including the Public Announcements of Board of Governors.

7. Estimated Extensions to Present Coverage.

Mr. Dunton, with regard to the last one I asked the question like this, I think: Would you mind giving us an idea of the numerous requests that have been made and things that you would like to do.

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

The WITNESS: That is a reply to that.

The CHAIRMAN: Then today Mr. Plouffe received these 40 copies of advance estimates for television financing. Those figures were requested during last week's session of the radio committee. They are ready for distribution now.

Mr. FLEMING: Mr. Chairman, are you going to put those all in the record?

The CHAIRMAN: Yes, I think it will be agreeable if these be now regarded as exhibits. I have announced them in the manner that will be a sufficient identification. I fancy that all we require is identification. You have these documents in your possession.

Did I understand your question correctly, Mr. Fleming, to mean, are these going to be printed in the record.

Mr. SMITH (*Calgary West*): Surely we are not going to print all that material?

The CHAIRMAN: That is a pretty large order.

Mr. FLEMING: I think the only one that there would be any doubt about would be this very bulky one which embraces two pages under the heading licensing and regulations, and then a great many pages under the heading public announcements. I personally have not had time to look the papers over since we got them last night. It is a bulky document. The others, I think, we all want, perhaps not in the text of the proceedings, but perhaps in the appendix, Mr. Chairman.

The CHAIRMAN: What about leaving that this way? I am inclined to agree with Mr. Smith there is a great deal of printing here, but if some is left out it might change the picture considerably. Let it rest this way, we will probably not be dealing for a while with these matters and when we come to each one we can then decide if it should be printed as an appendix. We are not losing anything by not having them printed at the moment because of the great lag in receiving printed material.

Would that be agreeable to let that stand for the moment?

Agreed.

Mr. FLEMING: We will come back to that later today, Mr. Chairman?

The CHAIRMAN: No, I think they would be a subject for questioning as already indicated, when they come up.

Now, the steering committee met and the memorandum of its decisions runs this way. This is the memorandum that I made for myself and I gave a copy to each of the members of the steering committee afterwards. I made this memorandum after we had dispersed. We noted that there would appear to be eight questions which would be topics for questioning:

The first is television, continuing over from last day; the next one would be possible questions respecting programming; the next one relates to private stations, wave length allocations, et cetera; next, regulations, changes made and possible to be made; another one, finances, requiring certain information to be tabled by Mr. Dunton, which, in the meantime, we have received; another one, questions with relation to the Ford Hotel building, its acquisition, renovations, et cetera; another one, discussion of the estimates which have been referred to the committee; another one, examination of transport officials.

We decided it would be well to have meetings next Thursday, that is today, at four o'clock and at eight o'clock and on Friday at ten o'clock lasting until twelve o'clock, leaving the committee itself to decide as to whether another Friday meeting would be held, that is, leaving it to the full committee meeting to decide that. Then, next Thursday, that is today, it says next Thursday morning, but that is incorrect, we should continue with television and after that proceed with items Nos. 1, 2, 3, 4, and 5, stopping at the point where it says the Ford Hotel.

These matters are essentially C.B.C. matters rather than Department of Transport matters. The Hotel Ford is also a Transport matter but C.B.C. was the agent for the government in its acquisition, and the steering committee thought it might be better taken up after a meeting in Montreal.

The other three items can then be proceeded with, excepting the Ford Hotel. Then the subcommittee proposes a meeting of the whole committee to Montreal on June 5, and after that the usual weekly meetings can be held that week. That would be Thursday and Friday of next week. That is as far as we went at the time. I do not know if we can cover all the things mentioned there prior to the item about the Ford Hotel but we will go along in that order, and then on Monday next go to Montreal, resuming whatever there is to resume next Thursday. Is that outline agreeable, gentlemen?

Agreed.

Mr. FLEMING: Has there been an opportunity to speak to Mr. Dunton or Dr. Frigon about the program for Monday?

The CHAIRMAN: I have had some chats since, with Mr. Plouffe, also with Mr. Palmer, and Dr. Frigon about the Montreal trip, and I will leave it to Dr. Frigon to fill in anything I leave out. It would appear we leave here a certain time in the morning, which I have forgotten, arrive at Montreal at a quarter to twelve, be met there by a bus, taken to the building, and after a short introduction to things there, we will have a lunch, and then spend the afternoon in and about the building and works, see some television experiments, and at dinnertime go to Laval Club, remain there until train time, which is in the neighbourhood of nine o'clock, as I recall it. That is the bones of the program.

You will remember, gentlemen, that I said at a meeting recently that the radio stations of the Canadian Broadcasting Corporation and others had all done an excellent job in connection with the flood in Winnipeg, and Mr. Dunton has prepared a report—the C.B.C. has prepared a report—in reference to their activities and they have asked for a report from the private stations which I have no doubt will come in. The C.B.C. report is now available for distribution. It was always my intention that it should be printed in the record as a permanent record.

Agreed.

(See Appendix to Minutes of Proceedings.)

There is one other preliminary matter. I have a letter here addressed to me under date of May 31 from 55 Douglas Crescent, Toronto, Ontario, from a Mr. Joel Aldred.

55 Douglas Crescent,
Toronto 5, Ontario,

May 31, 1950.

Mr. RALPH MAYBANK, M.P.,
Chairman, Parliamentary Radio Committee,
House of Commons,
Ottawa, Ontario.

Dear Mr. MAYBANK:

I have followed with some interest, the Press reports concerning the investigations of your Committee.

As you may be aware, I am actively engaged in radio broadcasting in Toronto, I was a staff member of the C.B.C. from November 1945 to May 1949. Since my discharge from the C.B.C. I have continued to carry on with my daily commercial broadcast commitments over the Canadian networks. My daily contact with the C.B.C. has enabled me to intimately observe C.B.C. operations just as I did during my staff career.

My friends within the C.B.C., who are appalled at the wastage which exists within the organization, agree with me that the internal operations of the C.B.C. should be carefully scrutinized by parliament, before any further expansion is contemplated in radio or television.

We feel that the C.B.C. Massey Commission Report, and the C.B.C. report to your committee to date, is dangerously sketchy, and in places, inaccurate.

It is my desire to appear before your committee and submit suggestions and ideas with regard to C.B.C. affairs. I feel that I may

be able to divulge certain information concerning the C.B.C. which your committee will find in the public interest and in the interest of Canadian radio.

If it is the wish of the committee, I can arrange to appear next week.

Most sincerely,

JOEL ALDRED.

What is your will respecting that?

Mr. MURRAY: Who is that gentleman again?

The CHAIRMAN: Joel Aldred.

Mr. GAUTHIER (*Sudbury*): Why was he dismissed from the Canadian Broadcasting Corporation?

Mr. SMITH (*Calgary West*): Is this the man who wrote in the papers a while ago?

The WITNESS: There was an article in the *Montreal Standard*. He was discharged by the management for disloyalty to the corporation.

Mr. FLEMING: Mr. Chairman, I mentioned at the steering committee the other night the desirability of calling Mr. Aldred in view of statements that he had made concerning the Canadian Broadcasting Corporation's operations on several occasions and this letter is the outcome, and with it his application to be heard by the committee. I think, Mr. Chairman, in view of what he has said, the committee cannot do otherwise than give him the hearing he asks for. The committee is aware of the fact that he, as Mr. Dunton has said, was discharged, I think, about a year ago, or about a year and a half ago, and in view of the statements, the strong statements appearing in the letter, Mr. Chairman, I think the committee should not fail to hear what he has to say. It will be up to the committee to make up its own mind, having heard his statement, as to what weight should be attached to his evidence. In view of the serious charges made in the letter I do think the committee cannot fail to give him the hearing he asks for.

Mr. STEWART: Mr. Chairman, there might be here a precedent that might be dangerous. I do not know Mr. Aldred, and I do not know what his position was in the Canadian Broadcasting Corporation. It is possible that as a discharged employee he might have a gripe against the C.B.C. which he hopes to splash before this committee. He could have something very legitimate to say but I am unable to say as to whether or not he could tell us about the administration matters he claims to seem to know about. Is it the case of a gripe of a discharged employee? I think we are wasting our time. If he has anything useful to say, then the question in mind is who is going to decide whether or not he can give this committee legitimate information?

Mr. MURRAY: I would say, Mr. Chairman, that if you hear this gentleman, then you will have to keep the door open for others and have at least a dozen persons who would be very glad to give some sort of evidence before this committee, if time permitted and somebody paid their way down here and made it attractive for them to appear. On the other hand, there are persons who could give very favourable comment who have been employed by the Canadian Broadcasting Corporation and who would be very anxious to do so. As Mr. Stewart has said, you would set a dangerous pattern here. You would have every crank for Victoria to Halifax coming here to tell us how to run the C.B.C.

Mr. RICHARD: I entirely agree. I do not think that is the kind of expert witness that we want to hear. There are too many of them.

Mr. SMITH (*Calgary West*): Speaking personally, I would rather hear him. We are a public body and we have a letter making serious charges against the C.B.C. I do not know how we could possibly refuse to hear him. So far as cranks go, this committee has invited everybody to come in and to give evidence with respect to radio matters. We have done it in connection with Indian Affairs and with other kinds of committees. I personally prefer to say now that I do not want to hear him, but I do not think we can possibly refuse to because we are a public body.

The CHAIRMAN: I think you would prefer to keep our own records straight. I think you will agree that we have not had any cranks before this committee. We have had various bodies.

Mr. SMITH (*Calgary West*): It depends on your definition of "cranks".

The CHAIRMAN: I thought you would agree. That is why I put it that way.

Mr. SMITH (*Calgary West*): We certainly have had all sorts of people before this committee, such as little private groups from little radio stations and that sort of thing. I remember one from my own home town. I can remember it quite well. Those little groups wanted to tell us how to run this thing.

The CHAIRMAN: I would like to make this comment.. This man says first of all that his contact with the C.B.C. has enabled him intimately to observe operations. He next says that he and his friends—he does not put it in these words exactly, I am paraphrasing a little—are appalled at the wastage, and that the internal operations should be carefully scrutinized. He thinks that the information given to us is sketchy and that the information which has been given to the Massey Commission is sketchy. That is an expression of his opinion as the result of his having worked with the C.B.C.

Mr. FLEMING: Does he not also say that it is inaccurate? Did he appear before the Massey Commission?

The CHAIRMAN: I do not think he did. He says it is his desire to appear before this committee and to submit suggestions and ideas. He says he may be able to develop certain information concerning the C.B.C. which we will find in the public interest and in the interest of Canadian radio. I was going to submit to you that in the last place he says he may be able to develop information, and I feel that he should give us a written statement of the sort of charges that he has to make, at any rate, before we hear him. I think we ought to be a little careful about raking in disgruntled employees. He really has not given us very much to go on.

Mr. GAUTHIER (*Sudbury*): What was his position?

The WITNESS: He was an announcer.

Mr. GAUTHIER (*Portneuf*): If we start with everyone who has been discharged by the C.B.C. for one reason or another, we shall never finish.

Mr. HENRY: I agree with you, Mr. Chairman, that there should be a written statement submitted to us, first.

The CHAIRMAN: I would point out that he is a little bit sketchy in the letter. Well, gentlemen, as we all have our minds made up one way or another, would somebody please move?

Mr. HANSELL: I would like to observe that since the C.B.C. are seeking further funds one way or another and since this gentleman is not the only person in Canada who takes the view that there may be over-expenditure that we ourselves may be running into some considerable criticism if we fail to hear a person who has been connected with the operations give information in respect to expenditures. As far as the person himself being a discharged employee of the corporation is concerned, I have nothing to say about it. I think the management should have a free hand to discharge whomever they want to. I do not think

that is our business. But the matter of expenditures is. I think it is a serious thing for this committee to consider, and in the light of this man's request to appear in order to give some evidence, I think he should be heard. Moreover, the officials of the C.B.C. would still have an opportunity of refuting anything he might say. And in so far as asking him to submit a brief as to what he might say is concerned, I do not think you would get much more than he says in his letter.

Mr. RICHARD: I think before a witness could be considered as an expert on finances or expenditures he should be something more than an announcer for the C.B.C., of which there must be two or three hundred. I do not think we should pay much attention to a witness who does not submit better evidence than he has done in this case. I think we have more important things to look into than the opinions of an individual.

Mr. FLEMING: The committee will have an opportunity to judge better what Mr. Aldred may have to say after hearing him. The committee has not undertaken very onerous inquiries this year. I think it is apparent that we are confining ourselves pretty largely this year to C.B.C. operations on the broadcasting side. And if any individual who has been connected with the C.B.C. has something to contribute on this very important question of finances, and makes charges of waste, I think the committee ought to hear him. If there are members of the committee who feel—and I have no doubt that they have expressed a genuine feeling in the matter—that Mr. Aldred should particularize the matters in his letter, I would not object to it. I think what you, Mr. Chairman, and what Mr. Henry have said on that point is not unfair. I think that if this man has this evidence and is in a position to particularize on it, it is not an unreasonable suggestion that he should do so.

The CHAIRMAN: Now, gentlemen, I do not wish to hurry you; but I am sure you have all have your minds made up. Will someone please make a motion either in favour of hearing him or against hearing him.

Mr. SMITH (*Calgary West*): I would like to say a word before any motion is put.

The CHAIRMAN: Well, in any event.

Mr. SMITH (*Calgary West*): When anybody seeks to come before us and Mr. Dunton tells us that he was discharged for disloyalty, it is going to take an awful lot of evidence to make me change my mind. I accept the word of Chairman Dunton for the moment absolutely. It is going to take a great deal to make me change my mind, if responsible officers of the corporation say that disloyalty was one of the reasons for which employees are and should be discharged. But Mr. Aldred does make a charge of wastage. Now how can the committee refuse a person, who makes a charge of that kind, an opportunity of giving evidence? Speaking for ourselves, I do not want this committee to be pilloried by this man and his friends for refusing to hear evidence in respect to wastage in the operations of the corporation. I think that is one of the words he used.

The CHAIRMAN: That is right.

Mr. SMITH (*Calgary West*): I think it is putting us in a very nasty spot if we refuse to hear him. You know how anxious people are to get hold of something and say: it has been white-washed and that sort of thing. So if necessary I move that he be heard.

The CHAIRMAN: Gentlemen, you have heard the motion.

Mr. HENRY: I move an amendment, Mr. Chairman, that the man be required to file a written statement, and that the hearing be deferred.

Mr. SMITH (*Calgary West*): Very well, I will go along with you.

The CHAIRMAN: We will take that as a substitute for your motion?

Mr. FLEMING: We do not swear witnesses in this committee.

Mr. MURRAY: If he is going to make certain charges, they ought to be made under oath.

Mr. FLEMING: We have never asked a witness in this committee to take an oath.

Mr. GAUTHIER (*Portneuf*): How much can an announcer know about financing the corporation, or anything about the finances of the corporation? That is what I would like to know.

Mr. SMITH (*Calgary West*): There is a good deal of difference between financing a corporation and waste.

Mr. GAUTHIER (*Portneuf*): He speaks of wastage. It is not the wastage of time that he is speaking of?

The CHAIRMAN: Gentlemen, you have heard the motion. The motion is that he be asked to file particulars of his charges, and that the question as to whether he should be heard will be deferred until such particulars have been considered.

Mr. SMITH (*Calgary West*): Agreed.

The CHAIRMAN: Are you ready for the question? Those in favour will indicate it by raising their hands. Those opposed if any? The motion is carried. I suppose that either Mr. Plouffe or I shall write a letter advising the man in accordance with this motion. We shall get it off to him right away. Very well, we are now ready to proceed. We were asking questions about television. Who is first?

By Mr. Fleming:

Q. If there is nobody else, Mr. Dunton, may I ask if it was the wish of your Board of Governors that the C.B.C. should be operating television before any private station should be permitted to do so?—A. The wish of the board has not gone beyond any of the public statements in that respect.

Q. Without referring to those statements in detail, could you give me an answer to my question?—A. It has had no wish in that direction, no.

Q. Would the Board of Governors have been content to see a private station licensed to pioneer in this field in Canada before the C.B.C. received such a licence?—A. That has not been the main question in our mind. The main question has been the establishment of a pattern of development of television in Canada which would be in the national interest.

Q. Do you mean a national pattern?—A. Yes, a pattern which would be the basis for a nation-wide development, and one which would produce a good measure of Canadian material and distribute it across Canada.

Q. Is there any place in your idea of the development of that national pattern for the opening of a local station in one of the metropolitan areas under private auspices?—A. We thought the whole question of what part private association should play should be decided in a general way by other bodies and not by us, and that it was too big a decision on our part. We have concentrated on the development of a planned basis of a nation-wide system. Under the present plan there certainly can be plenty of place for private operation.

Q. What do you mean when you say "other bodies"?—A. Parliament and the government, and we presume, perhaps with the assistance of a Royal Commission and perhaps a parliamentary committee.

Q. At the last meeting I think you made some reference to the idea of a co-operative enterprise in Toronto. Was this idea extended to any of the

other metropolitan centres from which applications came?—A. Yes. In our thinking the suggestion covered both Montreal, Toronto, and any other areas.

Q. Did you deal with Hamilton on that basis?—A. No. In Hamilton we recommended against it definitely because there was only one channel there and we thought it should be reserved for the national system, possibly for the future development of it.

Q. Who suggested the idea of the co-operative aspect of it?—A. We had thought of it and it was also suggested to us by a private interest, one in particular at a meeting of the board when the whole thing was discussed.

The CHAIRMAN: When you use the word "co-operative" you mean where you suggested to two or three applicants that they get together?

Mr. FLEMING: I think the C.B.C., if I remember correctly, gave the name of "co-operative undertaking" to the suggestion that was discussed, did they not?

The CHAIRMAN: My only reason for asking was to clarify the term in my mind. Is it to that set of applications from two or three different people that you are referring?

Mr. FLEMING: No. I referred to the counter proposal made by the C.B.C., as I understand it, after having received applications from certain private licensees.

By the Chairman:

Q. That is what you mean when you say: "Get together if you can?"—A. Yes. We use the term as applied to initial co-operative development. That is the kind of thing we are thinking of.

By Mr. Fleming:

Q. You are reading from your own statement?—A. Yes.

Q. And do you not say that the idea originally came from the suggestion of a private licensee?—A. No. I said that we had had ideas within the corporation about joint development. The general manager had had discussions with radio manufacturers and we had had some discussions of a very informal nature with private interests. A particular suggestion was made at a public meeting of the board by a private man representing a private organization for co-operative development; and the board as a whole became greatly interested in seeing a suggestion coming from a private source, and it seemed to have a good deal of support and interest from other private sources.

Q. It has not been put forward by any private applicant for a television license?

By the Chairman:

Q. Asking for a licence himself or asking for somebody to co-operate with him?—A. No joint application of that kind has come in.

By Mr. Fleming:

Q. The idea has never been put forward? You said that this idea was put forward by a private individual or by private interests once or twice. I am suggesting that the private individual or private interests who put the idea forward would not be people who made application for television licences?—A. I do not think any of the applicants in formal appearances spoke in favour of it, although I think there were a number of occasions when interest was shown in the development. There were a number of indications of interest in the possibility of some kind of general development.

Q. Are you saying there is indication of interest in the idea of that co-operative development on the part of anybody who has applied yet for

licences, who has actually filed an application?—A. I would have to check the transcripts—the minutes of our meetings. I do not think there were any made formally at meetings of the board but I think we had a reason to feel that a number of applicants were certainly interested in the possibility.

Q. What applicants have shown an interest in the idea of a co-operative development?—A. From our understanding it is difficult for me to speak at second hand for applicants.

Q. Would you prefer to refer to your minutes before answering the question?

The CHAIRMAN: I would like to interject a possible ruling here. I would like to know whether what is being asked relates to private conversations of the C.B.C. with some of these applicants, where they would expect to be, as you might say, talking off the record. If that is the nature of the question, I would be inclined to question in turn whether it is a proper line of inquiry or whether questions should be answered. I illustrate what I mean by the XYZ company making an application and so did two or three others. The suggestion was thrown out at the time by the board saying: there are not very many wavelengths, you know, we cannot give them to you; is there not some chance of you people getting together? And then the XYZ company has a conversation, not after full consideration probably, during which Mr. Dunton or some member of the C.B.C. develops the idea in his own mind that the XYZ company is interested in that now. If that is the sort of information you are seeking to obtain I do not think that is a proper line of inquiry.

Mr. FLEMING: I was asking if the idea was put forward or subscribed to by anybody who was applying for a licence.

The CHAIRMAN: You mean formally?

Mr. FLEMING: Yes; I understand an answer has been given in the negative.

The WITNESS: They have not been formal. We did get a notice of application from Montreal for a joint application; it was on the agenda for the board meeting but it was not completed and was withdrawn before we could consider it.

By Mr. Fleming:

Q. Were the applicants presently engaged in broadcasting?—A. Yes.

Q. Is there any harm in indicating who they were?

The CHAIRMAN: That is public, is it not?

The WITNESS: I think our records show it was the Canadian Marconi Company making the application and they said they were to be joined by another broadcasting organization, and as I say, it was withdrawn before it had a chance to come before the meeting.

By Mr. Fleming:

Q. There was no indication that anybody else was joined with them?—

A. The indication was they were going to apply on that basis, but the application was withdrawn.

Q. The other applicant was not named?—A. It was not formally indicated, but it was indicated it was another broadcasting organization.

Q. Do you know who that was?—A. I do, but it is not in our formal record and I do not think it would be fair to say.

Q. In your conception of the development of television according to this national plan you have spoken of, do you conceive television development in much the same way as sound broadcasting has, as to relationship between the Canadian Broadcasting Corporation operations and those of private licensees?—
A. Under the plan envisaged in the government interim statement it would be quite close, in a general way, to the general arrangements between the national system and affiliated privately owned stations; it would be the same kind of

mutual obligation—an obligation on the part of the national system to supply them with certain services and programming; and they, on the other hand, under a general obligation to take a certain service: which is advantageous to both sides, the national system getting coverage in that area for some of its programs, the station on the other hand, having the advantage of getting a certain supply of program to transmit.

Q. And with the Canadian Broadcasting Corporation retaining control over television?—A. It is in the law now.

Q. That is the foundation of your conception of a national development.—A. You would certainly need a pretty careful co-ordination of the whole development in the national interest.

By the Chairman:

Q. I suppose television specifically is not in the law.—A. Yes, it is a form of broadcasting that is covered under the Broadcasting Act.

Q. In the definition of broadcasting was there something else in the law that makes it clear that television was envisaged at the time of the drafting of the law?—A. Quite clear.

Q. I did not know that.—A. Television was just starting in England at the time the present Broadcasting Act was passed.

The CHAIRMAN: I would just like to make this observation, Mr. Fleming, with regard to your questions. Such being the law, the corporation would be bound to plan this framework under the law which gives them existence.

Mr. FLEMING: Quite. Mr. Dunton had not made reference to that and my last question was to bring out the fact that that was the foundation on which the national plan is being built.

By Mr. Stewart:

Q. When an applicant comes before the board for a licence for television does he submit at the same time a tentative schedule of program?—A. Yes, we ask for his general plans regarding programming and the operation of his station.

Q. Do you find that the suggested programs fit in with your general national policy or the policy envisaged?—A. As we said in our statement we were not too impressed by the plans put forward particularly by some of the applicants; that was not simply what they are proposing or not proposing to do, but in many cases just the vagueness of the plans.

Q. I notice in your television statement No. 15, dated May 17, 1948, you state:

The Board believes that it would not be in the general Canadian public interest for individual private television stations to become outlets in Canada for non-Canadian television systems.

Would you care to explain further on that?—A. Yes, I think this is an important point in the development of national policy regarding broadcasting in Canada. As you remember, the Aird Commission, first looked at broadcasting as it had developed on a haphazard basis under its commercial operation, and they found the natural tendency here was to get programs from the United States by network connections or without network connections by other means, by transcriptions, because that is the best business way of doing broadcasting—to get the material which you can get, the use of relatively cheaper material from the United States when the whole cost has been spread over the whole American market. You can get the use of that material relatively cheaper. Therefore, the whole tendency on a commercial basis is to import material from across the border and, of course, if possible, to have a direct network connection and in effect become part of a direct American broadcasting system.

It is obvious the same economic pressures will work on any television operation on a straight commercial basis. The whole tendency will be to import a very large part of the program material from south of the border.

Q. What is the experience of the applications from private broadcasters that came before you? Did you find there was this tendency to pipe in from American stations?—A. We asked a number of questions about their programming plans, and they all expressed interest in developing at least a certain amount of their own local broadcasting but they were also mostly very emphatic about having complete freedom to bring in anything they wanted from the United States.

Q. Is it not so that the Canadian Broadcasting Corporation refused to give licences to Famous Players because of that?—A. Counsel for the Canadian Association of Broadcasters strongly opposed a recommendation in favour of Famous Players Corporation. I would not like to say exactly on what terms but they pointed out that the corporation was non-Canadian controlled.

Q. On November 3, 1948, in public announcement No. 22, the board says the following:

The Board felt that Famous Players Canadian Corporation put forward the best assurances of good service, but it noted emphatic objections made by counsel for the Canadian Association of Broadcasters to a television licence being granted at this time to motion picture theatre interests with all the implications of such action, and to a corporation controlled by non-Canadian interests;

—A. That is right.

Q. So I get the impression, perhaps I may be wrong, that private broadcasters were objecting to doing what the private broadcasters themselves were prepared to do.—A. I do not think they talked much about what Famous Players would do; I think the quotation summarizes pretty well the representations made.

Q. And it is the intention of the corporation to make television in Canada a Canadian matter of production and presentation?—A. We think it is very important for the future of Canada that we have a basically Canadian system, a national system which will, of course, bring in a certain amount of material from outside Canada, but which will have a core of Canadian material of Canadian production, of Canadian television generally, done by Canadians for Canadians.

Q. There is another aspect of television which may be important as the years go by. Perhaps the corporation has had no time to study it or think about it, but has anything been done along the lines of television for school broadcasts?—A. Not directly, but our National Advisory Council on school broadcasting is decidedly interested in that and in co-operation with that council which has on it representatives of all departments of education across the country, we would propose to do some experimenting on how television may or may not be used in school broadcasting.

Q. And your Advisory Council completely agrees with the American reports on television in connection with school children.—A. I imagine some of the members have seen them.

Mr. RICHARD: Has the Canadian Broadcasting Corporation any power to stop theatres from broadcasting televised programs from outside or from Canada?

The WITNESS: From projecting in their theatres programs received from a television broadcasting station? I think it would be a point for lawyers. My own opinion is that in common law the C.B.C. could prevent any other person from picking up a program and using it for gain. We cannot stop anyone just from receiving anything that is broadcast.

MR. STEWART: How would those restrictions on showing television for gain affect the owner of a cocktail bar from showing television in his saloon or whatever it may be?

MR. FLEMING: You said "pub" the first time.

MR. STEWART: Would they be showing television for gain?

The CHAIRMAN: You are dealing with the subject of copyright there or any allied subject. I think it has been held that something which is shown and which is owned by somebody else is indeed shown for gain in public place like that where it is shown in order to sell more gin rickies.

MR. STEWART: The point is, would the corporation have the right or power to decide where television should be shown or would that be a provincial matter?

The WITNESS: In the first place it is a matter of federal government licencing of receiver stations; that is not our power. How far we should go in, say, demanding payment, or checking a theatre picking up a program and reproducing it I am not certain. We would need to get good legal advice about it when the receiving organization was using it for its own gain.

By Mr. Gauthier (Portneuf):

Q. In the United States are they allowed to reproduce television programs in cafes or other restaurants?—A. In cafes or restaurants. On the other hand there are court cases in the United States which have established that a theatre cannot pick up a program and project it on its screen.

Q. It seems pretty well established by practice then?

MR. RICHARD: Suppose a theatre had a chain in a certain district and wanted to televise its films instead of reproducing them in each theatre, what about that?

The WITNESS: There is another possibility which is that a theatre organization might get permission from the Department of Transport to say that a mobile unit which would pick up a program at one place and transmit it directly by what is called point to point communication, to all its theatres or a number of theatres, and it would be projected on the screen. This point to point communication would not be broadcasting and in fact would be done on frequencies which could not be received by the public. It would be transmission by air instead of using a cable and that would be a matter of getting permission from the government.

MR. HANSELL: When you talk of projecting on a screen you mean a theatre screen?

The WITNESS: Yes, there is equipment now by which a theatre can take a television image and blow it up to a large size.

MR. GAUTHIER (*Sudbury*): You must remember that each province has the right to say what can be done in the pubs.

MR. GAUTHIER (*Portneuf*): Have you been able to come to some agreement on the use of the mountain at Montreal for television purposes?

The WITNESS: We have an understanding with the city of Montreal but it requires to be confirmed by the attorney general of Quebec. The confirmation has not yet been received.

By Mr. Stewart:

Q. Mr. Chairman, I noticed in the financial statement on television which you have given us today that at the end of 1955-56, the corporation envisages a deficit of between \$9 million and \$10 million and I think the deficit may be about the same also on broadcasting under the present conditions as of that time. Now, the corporation to me appears to be completely incapable of pay-

ing these amounts and I ask, therefore, should the committee not consider—I am not asking the witness—whether these loans should be granted as such or whether they might be subsidies from the government to carry on most effectively—A. I am not sure if you have correctly interpreted the statement on that figure of \$9,615,000. That represents the total loans needed. In other words, funds to cover capital expenditures and deficits.

Q. Yes, I noticed that; you have not the money for either, so you will have to come to the government for funds to keep you going.—A. We expect on the basis of estimates prepared that in that year for these operations we will begin to break even and in fact, come out on top afterwards.

Q. That would be on what basis, on the basis of a \$10 licence fee?—A. This is based on revenue in some form or other equivalent to a \$10 per television home. As it rises we would expect the number of sets to climb each year, and the revenue to climb, and we estimate that in 1955-56 current revenue and expenditures will just about balance.

Q. Would you care to project that statement further from the point of view of being able to repay the loans?—A. It would be unreal to make much of a projection because I think by that time something will have happened to these operations. Very likely operations will be gradually extended to serving other parts of the country and we will be being asked to make further expenditures to serve other regions.

Q. So as you serve more territory your capital costs will increase and your operating costs will increase also.—A. Yes, but we hope the revenues will also build up in comparison.

By Mr. Fleming:

Q. This estimate of revenue for these six succeeding years assumes, is it not, that you are still going to continue the expansion that you outlined last week over a substantial area of Canada? That will involve, will it not, perhaps not the establishment of more producing centres but a great extension of the benefits of television across Canada?—A. Yes, as I explained before, this is based on the Montreal and Toronto operations and if we extend in one way or another, we also expect the revenues, the receipts, would start to go up.

Q. Is that assumption not reflected in this statement?—A. No, because we cannot tell where we will be asked to extend services to or how far?

Q. But is not some of that assumed expansion reflected in these figures?—A. It is on the basis, as we know from experience in other countries, that each year the public will demand a little more service if they are going to buy sets. This is starting on a modest basis for television, and we will obviously have to do a little better each year to have an increasing audience.

Q. Just so we understand each other, I was talking about geographical expansion of television throughout Canada.—A. That is not covered in this statement. This covers what we are authorized now to do—the Montreal and Toronto production establishments.

Q. Just those two; but then the use of the facilities, by the use of various means to carry the benefits of television across the country.—A. That would increase these expenditure figures though not in the same proportion, but also would begin to increase the revenue figures.

Q. I may have misunderstood you. I thought when you were giving us these details last week, that you were estimating then that there would be wide distribution geographically, distribution of the benefits of television from your two production centres in Montreal and Toronto, and that the benefits would be carried to Vancouver within these figures.—A. Within these figures we will be producing programs and to distribute them will not cost us much more than this. To actually make the recording to ship to Vancouver is a small cost. But if we are asked to establish a station in Vancouver that would be a different

thing. Maintaining a transmitter would be more costly, but the extra cost of supplying Vancouver with a program first by kinescope recordings would be very little, because the main cost of producing the program has already been incurred.

Q. How many applications have you pending now for television licences?—A. I can list them from memory; Montreal, CKAC, CFCF; Toronto, CFRB, CKEY, Famous Players, Al Leary; Hamilton, CHML, which was recommended against; and there is one that came into the Department of Transport from the CKOC Hamilton interests; and one from CKNW in New Westminster; and CKLW, Windsor.

Q. That is a total of nine of which you have recommended against one? Does that mean the other eight are still pending or what is the situation of those other eight? First of all am I right on those figures?—A. I think that is right. The others are still pending.

Q. On what basis? You have had hearings on some of those?—A. Yes, on some. Last May the board said in effect that in any area it would be to the advantage of people to get together to see if they could work out something together, and to come back with a joint application. So far no joint applications have come back.

Q. Have you left the door open for those individual applicants to come back if they cannot get together in this cooperative development that you have suggested?—A. We envisaged that possibility. The stand of the board at the moment is that it does not want to change its recommendation until the royal commission reports.

Q. That is what you are waiting for, the recommendations of the royal commission?—A. Yes.

Q. You have not just put an interdict on applicants until they get together? Really, the reason is you are waiting for the recommendation of the Massey Commission?—A. In the meantime as we have pointed out we will be willing to consider applications made on the basis of the government's statement.

Q. So there would be no point in anybody making application until you have the report of the royal commission?—A. Of a single individual application, very little point.

Q. You said there were two applications from Montreal? How many wavelengths are you going to have there for television?—A. Five in total, we want to reserve two.

Q. Two for C.B.C., that leaves three for private interests. And in Toronto you have four applicants. How many wavelengths are there in Toronto?—A. Three.

Q. Are you keeping two there for yourself?—A. Just one.

Q. There are two altogether for private stations?—A. Yes.

Q. In Hamilton how many are there there?—A. Just one.

Q. You have turned down an application for that one?—A. Yes, we recommended against it.

Q. Then there were also New Westminster and Ottawa.—A. Not Ottawa. Another one from Hamilton.

Q. A second one from Hamilton that is pending.—A. Yes.

Q. How many would there be at Windsor?—A. Just one.

Q. How many wavelengths?—A. One.

Q. You are not reserving that for C.B.C.?—A. We have not taken any action regarding it until the whole picture clarifies.

MR. GAUTHIER (*Portneuf*): Did you say permission has not been granted by the attorney general of the province of Quebec to give you that site on Mount Royal? Have you considered another point besides this one in case the refusal is permanent?

Dr. FRIGON: Mr. Duplessis said he would not grant it or would not refuse it. A bill was passed in the legislature authorizing the city to lease us a site on the mountain.

Mr. GAUTHIER (Portneuf): A bill was passed by the legislature?

Dr. FRIGON: Mr. Duplessis said he would bring the matter up before the cabinet because they are representative of all groups and he would consult them. I would say that the answer is not final. We are still waiting for a final answer.

Mr. GAUTHIER (Portneuf): Have you considered another spot in case the refusal is permanent?

Dr. FRIGON: We have other ideas. The mountain in Montreal is an asset if you are on top of it but if you are not on top of it it is a liability because it creates shadows and no matter where you are you are bound to be shaded in some part of the city where the mountain is in the way.

Mr. HANSELL: Are television wavelengths or channels determined by international agreement the same as the others?

Dr. FRIGON: Yes they are, especially along the border; there are certain possible stations on each side of the border which have to be distributed according to certain rules, otherwise they would interfere with each other.

Mr. HANSELL: How long are the present wavelengths determined for? Is there any specified time?

Dr. FRIGON: The way it stands now is, that we have a tentative arrangement or agreement with Washington on how the frequencies which are now available for television will be distributed along the border between Canada and the United States, how they may be divided.

Mr. HANSELL: That is what I am getting at. Is that agreement for any particular length of time?

Dr. FRIGON: No, at the present moment these agreements in radio broadcasting or in television are supposed to last so long as they are not changed. But you may have a meeting where the nations concerned would like to change the distribution of frequencies, but there has been no official agreement between Canada and the United States in respect to television frequencies and the places where they can be used.

Mr. STEWART: What is the conception of a border station? Is Winnipeg one, which is 60 miles from the border. Would that be a border station? Does a border station mean a station like Windsor?

Dr. FRIGON: Well, no, it is within 200 to 250 miles.

Mr. OUMET: The actual spacing, the present spacing between stations is 150 miles if they are on the same channel but in view of the experience in the United States it is proposed to change this spacing to 250 miles and it is very likely that it will be 250, so the answer to your question is, I would say, anything that is further than 250 miles from the border would not have to be in the allocation of these frequencies, it would not be necessary to consider its effect on the other country.

Mr. FLEMING: With technical advances, I suppose, it is likely that the horizon will extend.

Mr. OUMET: It is not expected that it will be extended.

The CHAIRMAN: You do not expect to be able to develop any scheme of broadcasting around corners or curves?

Mr. OUMET: Not at all.

Mr. FLEMING: You think you have just about reached the full horizon on television?

Mr. OUMET: That would not be quite right. You always get some transmission past the horizon but you only get a small percentage of your power transmitted. If, however, you raise your power enough your signal will go further and further but it becomes uneconomical to do it after a certain limit is reached.

Dr. FRIGON: Of course, the basic factor is height of the aerial. If it is 1,000 feet high it will cover more than an aerial 50 feet high would. In Montreal, for example, if you were on Mount Royal you could broadcast over a greater radius of coverage than if you were down town in the lower area. So the height of the aerial has a lot of influence on the actual radius you can cover.

Mr. FLEMING: How great a horizon do you expect to have from Mount Royal in Montreal?

Mr. OUMET: There again it is very hard to give an exact figure because you would have to define the quality of the service. It would be heard and people would enjoy it very far away, maybe 100 miles, but for a great percentage of the people it would stop around 60 to 80 miles or something of that order. In Toronto, which is 63 miles from Buffalo, of course, all the people with sets in Toronto at the moment, receive Buffalo. In the long term picture there will be a great number of stations possibly interfering with one another to a greater extent and it is doubtful whether such long distance will be counted on for service.

Mr. FLEMING: How great a horizon do you expect at Toronto from the production centre that you contemplate there, that you are engaged on at present?

Mr. OUMET: We could say that people 63 miles away would get as good a service from Toronto as they get in Toronto now from Buffalo, so it could be further than that or less than that depending on the quality of service. May I add one point that I think I should have mentioned first, and that is this important question of height. When you spoke of scientific advances that might push the horizon, I did not include among them the possibility of greater heights. Of course, if greater heights were available, natural heights in certain cities, for instance, then the distance becomes greater; and there is the system which was considered some years ago and at the moment I would say is well considered but not very active, it is the system of stratovision where planes are used at heights of 20,000 feet in which case the radius of coverage may be 200 miles. Seven or eight planes over Canada would cover the whole of Canada but then it is a question of economics. From the technical standpoint it is possible, and there have been some experiments which have shown this to be possible but it is a question of showing whether it is the cheaper way of doing it.

The CHAIRMAN: If it was that simple we would vote that amount of money.

Dr. FRIGON: A good deal depends on the conditions at the point of reception. In New York they have seven stations now and some of them are heard or seen a long distance away and yet you cannot get more than one or two in the city itself. It all depends on the location of your receiving set, the location and height, in buildings, and whether there are reflections coming from other buildings. So the fact that you receive a signal depends a whole lot on where you are and how you are installed.

Mr. FLEMING: When you get this Toronto operation under way by September 1951, places within a radius of 60 miles of Toronto can expect good television, can they?

Mr. OUMET: The answer to that, of course, depends on the definition of "good." If you consider the present reception in Toronto as good then the answer is yes.

Mr. FLEMING: Do not ask me to commit myself on that.

The CHAIRMAN: The lawyers might take note that engineers are terrible hair splitters.

Mr. GAUTHIER (*Sudbury*): Of course, if he moved to Toronto it would help him a lot.

Mr. HANSELL: May I ask, Mr. Chairman—

The CHAIRMAN: Just one second, Mr. Hansell, I want to get that letter out to Mr. Aldred right away. I would like to leave the chair for a few minutes to do so. I will be back as soon as I dictate that letter. In the meantime, Mr. Stewart, will you take the chair while I am absent?

(Mr. Stewart (*Winnipeg North*) assumed the chair).

Mr. HANSELL: May I ask whether you have considered the number of television stations that would have to be erected to cover all of Canada?

The WITNESS: We have done some studies on it.

Mr. HANSELL: Would television stations in all cities of 50,000 people and over fairly well cover Canada?

Mr. OUMET: It would cover the population of all of those cities within a radius of fifty miles, as we discussed it.

Dr. FRIGON: We may put it this way. There are enough cities in Canada to cover all the important smaller centres but the deciding factor will be the economic side. There are towns too small to support television stations. As far as frequencies are concerned and the allocation of them—well, there are plenty.

Mr. FLEMING: May I ask a question about the use, or occupation of the frequency of the production centre? As I understand it when you have a production centre set up you can use the product over different wavelengths.

The WITNESS: Yes, through other network connections. A recording would have to be broadcast by other transmitters in other areas.

Dr. FRIGON: If you have a show produced in Toronto you can photograph what is shown on the television screen on a film; you make a moving picture. That is sent to other stations to be rebroadcast. At present in the United States even the major networks have quite a number of stations which operate exclusively through kinescope recordings.

Mr. FLEMING: Those would be sent over different wavelengths?

Dr. FRIGON: Oh, yes.

Mr. FLEMING: Does that mean that you could have an endless variety of channels using that same program?

Dr. FRIGON: You could have the films on stations with different channels, or channels that were repeated because of distance requirements, to cover the whole of Canada.

The WITNESS: Could I help by saying that according to our studies, with transmitters in eighteen different centres and five relay centres you would have covered over one-half of the population. The difficulty is as you get into the less settled areas it takes more stations to cover a smaller number of people. However, those figures give you an idea of what can be done.

By Mr. Hansell:

Q. I noticed in the review of the number of applications you had there were none from west of Windsor until you get to New Westminster?—A. That is right?

Q. You have none from Vancouver?—A. No.

By Mr. Gauthier (Sudbury):

Q. Within what area is it economically possible to have two stations?
—A. It depends upon the basis on which you are operating.

Q. On a straight commercial basis?—A. We have not done much figuring on just a straight commercial basis because we cannot operate a nationwide system in Canada on that basis.

Mr. RICHARD: Mr. Ouimet, you talked about a range of fifty miles. I will refer to Toronto and Montreal and, suppose the tower was twenty-five miles out of Montreal, would you have a greater range and still be able to cover Montreal?

Mr. OUMIET: The range would be the same but the signal in the city would be much weaker. I do not think it would be sufficient to override the noise and interference which you find in those centres. That is really the reason why there is no straight answer to the question of coverage radius. It is not the question of hair-splitting, it is a question of determining the noise factor in each location, and certainly forty miles out of Toronto you could get good service in rural areas—very good service. However, if it was a location like Hamilton in certain sections the service might not be acceptable.

Mr. FLEMING: Probably it would not be acceptable anyway, if it came from Toronto.

Mr. RICHARD: I was thinking that you would be broadcasting to a lake on the one side.

Mr. FLEMING: They would build another mountain to keep it out.

Dr. FRIGON: In the case of television noise means a poor picture, not just poor sound.

Mr. HENRY: When you told the four applicants in Toronto to attempt to co-operate on their application, did you lay down any plan for them to proceed with or did you leave it to them as to how they were going to do it?

The WITNESS: We left both the method and procedure up to them.

By Mr. Fleming:

Q. For both wavelengths or one?—A. The government's statement just said one licence in any area at the present time; and that is all we had in mind.

Q. Is the question of occupation of a wavelength for television an urgent factor in international agreements, as it was with sound broadcasting? You remember, Dr. Frigon, the problem we had with regard to channels there. Is there any similar problem in connection with television?

Dr. FRIGON: There is to the extent that the United States have agreed not to place any stations on such frequencies at certain spots, but, if we were to wait a great number of years they might get tired of waiting. It is not as serious in some cases but there should be action within a number, say X years; otherwise they may get tired of waiting for us.

The WITNESS: You have in mind certain of the Havana Treaty provisions.

Mr. FLEMING: I will never forget them.

The WITNESS: It is not the same in television.

Mr. FLEMING: You are not working against a time limit?

The WITNESS: No.

The ACTING CHAIRMAN: Has the corporation reserved for themselves wavelengths in these specific cities?

The WITNESS: We have made recommendations only in the main centres, but we would watch the situation.

By Mr. Fleming:

Q. Which main centres are there, apart from Toronto and Montreal?—A. Hamilton.

DR. FRIGON: We have applied for frequencies in Montreal and Toronto and they have been assigned to us.

By Mr. Fleming:

Q. You have applied in the case of Hamilton but the frequency has not been assigned to you?—A. We do not apply; we recommend against a private applicant at the present time. We think if there is to be only one it should be left available for the national system at the present time at least.

Q. There are no others for which you have applied anywhere else?—A. No.

Q. Are there any others which you contemplate applying for or have you suspended all of your applications until the outcome of the sittings of the Massey Commission?—A. We have suspended our applications because all we are authorized to do is Montreal and Toronto. Naturally we would watch the situation in other places but we cannot specifically apply for a certain wavelength in Vancouver, for instance, until we have an authorization to do something in Vancouver.

Q. Are you planning to apply in other cities like Vancouver?—A. We would not do so until we had authorization and finance.

Q. Do I understand that you would not make an application, or are you planning to do so?—A. We do not; we cannot make any definite plans until the outcome of the other studies.

MR. HENRY: What factors control the distribution of wavelengths between cities such as Montreal and Toronto?

THE WITNESS: The pattern of allocation of channels between border areas of the United States and Canada. There is a certain pattern of repetition and that is worked out, naturally, to try and get more channels wherever possible where there is more population.

MR. OUMET: Perhaps I could answer by saying that in certain cities like Toronto which have three channels, or Montreal which has five, the reason why Toronto has three is not a matter of decision as compared with Montreal's five. It is a technical problem and the best we can do in allocation is to give three channels to Toronto, if you are going to maintain the general pattern across the country in Canada and in the United States. The reason for it is that there are a great number of cities of fair size in the United States and in Canada within three or four hundred miles of Toronto, while in the case of Flin Flon there are not. It would be much easier in Flin Flon and you could probably put seven or eight stations there; but Flin Flon could not afford to support them.

It is not a matter of decision, but it is a matter of technical solution to a problem where you try and keep a balance of service. If you decided, for example, that no city of less than 200,000 population would have a television channel, you could increase the number of channels in the bigger cities. It is a question of balancing all these things and trying to give each area a chance, so there will be a national service in Canada and the United States. It is on that basis that this tentative plan has been formulated.

MR. FLEMING: Is it not going to be much more difficult to work out this national pattern—if by that you mean giving service to everybody in Canada who is anywhere near the populated areas—than it was in the case of sound broadcasting?

DR. FRIGON: It would be more difficult; it would take more money.

Mr. FLEMING: You distinguish between the two?

Dr. FRIGON: Yes.

Mr. FLEMING: What you mean is that it is not more difficult technically but because you have to have so many more things than in the case of sound broadcasting is it going to be much more expensive?

Dr. FRIGON: Yes; and the running of a station, as an individual station, is more costly for television than for sound.

Mr. FLEMING: Which means the chances of getting local talent will be much more limited in the case of television? It is not likely that talent from metropolitan areas will be used and these recordings and kinescope films will be used in the smaller cities?

Dr. FRIGON: Once you have a station you can use local talent, but the question is whether the locality could support a television station; that is the big problem.

Mr. FLEMING: You distinguish between a station there and a production centre?

Dr. FRIGON: Not in the sense I am using it now. For instance, Prince Albert could support a broadcasting station and so perhaps could Prince Rupert. Now the question is could those two cities or towns support a television station? That is the problem. You would not likely have enough money from the sale of time on the station to pay its cost.

Mr. FLEMING: Commercial revenue?

Dr. FRIGON: Yes.

Mr. FLEMING: That is going to be the test, is it not?

Dr. FRIGON: Yes.

Mr. FLEMING: You have estimated that commercial revenue is going to bear a similar proportion to the total revenue in the case of television as it does in sound broadcasting, namely one-third to two-thirds?

The WITNESS: That is our estimate.

By Mr. Hansell:

Q. Is that estimate based on a national system or just on Toronto and Montreal?—A. We would expect the same rule would apply on extending the system. As our expenditures developed so would the revenue.

Q. Your commercial revenue from television in western Canada would not be as great?—A. No, but your expenses would not be nearly as great, because in our basic cost of production centres a very large part of the expenditure would be absorbed. It would not cost anything like double to have program transmitters in Vancouver and Calgary, since the main part of the program cost would be covered.

Dr. FRIGON: If you supply programs to stations from recordings, the more stations you have the lower cost per station. If you make one copy of your show it is very costly; if you make ten copies or fifteen copies each copy costs less than the first one.

Mr. HANSELL: But what I have in mind is that your listening or seeing audience per station would not be nearly as great in Western Canada as it would be in the east?

The WITNESS: As it is in Toronto?

By Mr. Hansell:

Q: I do not know about Toronto because television would reach a fifty mile radius. In western Canada you have got to have more stations to cover the country, and if you have more stations to cover the country you would have to have a higher commercial revenue to make it possible?—A. You certainly have that basic Canadian problem of big spaces and few people but, on the other hand, once you have the basic cost of producing quite a lot of programs covered, then it does not cost so much to extend the coverage of those programs to other areas.

Mr. FLEMING: I suppose in television the saving factor will be your ability to use delayed relaying of programs?

The WITNESS: At the beginning, certainly.

Dr. FRIGON: The costly factor in television is the production of programs. It costs more to produce a television program than it does to produce a sound program—no matter what the program is. You have to have more technicians, more employees; and all sorts of other elements are present which do not enter into sound broadcasting.

Mr. HENRY: Is there any engineering obstacle to prevent us having five wavelengths in Toronto, or is it a service obstacle?

Mr. OUMET: I do not understand the question when you say "service obstacle."

Mr. HENRY: If it was just a question of distribution throughout Canada of a certain number of wavelengths I would call that a distribution service but, if there is a technical engineering objection to increasing the number from three to five I would like to know what it is?

Mr. OUMET: The allocation of frequencies is a little bit like a jigsaw puzzle in that you have certain rules to start with. The first is that any time you use a channel you must not use it again in a city which is less than 250 miles away from a city which has the same channel. The second thing is that you have to worry about stations on adjacent channels. In that case you must not use a frequency in one city which is adjacent to a frequency used in another city less than 100 miles away. With those limits geographically you have to find stations for a great many cities within a certain region. In that case all of the cities would be limited in the number of channels they received. If you could say that there would be no channel in Buffalo, Cleveland, Windsor, and London, then you could increase the channels in Toronto.

Mr. HENRY: Is it possible or not possible to increase the channels in Toronto?

Mr. OUMET: It is impossible. We are talking here about a certain class of channel. As the demands for new service increase new bands may be open in the spectrum—new channels may be provided.

Mr. HENRY: How do you do that? Through international agreements?

Mr. OUMET: In the case I am speaking of it is ultra high frequency, something very similar to the short-wave broadcast band, for instance, which you have in ordinary receivers. By adding another portion to the spectrum you may add forty-five new channels instead of the twelve which are in use all over the continent at the moment.

Those forty-five channels could not be used as of today because it is a problem of engineering, development of transmitters and receivers, and technicians. In due time—a period of three or five years depending on the demand—those channels may be opened up.

Dr. FRIGON: Suppose in general discussion, as Mr. Ouimet has told you, it was found that Detroit should have five channels because of the population there, then you could not use those five channels again within 225 miles of Detroit.

Mr. RICHARD: Has C.B.C. purchased any equipment already?

Mr. OUIMET: The C.B.C. has purchased equipment but it has not been delivered.

Mr. RICHARD: Where is it from? Canada?

Mr. OUIMET: Two transmitters have been ordered—

Mr. FLEMING: We had this at the last meeting.

Mr. OUIMET: Our studio equipment for both Toronto and Montreal has been ordered from a British firm.

Mr. RICHARD: Are we equipped with engineers to start dealing with it?

Mr. OUIMET: Yes, there are many engineers who have been working for many months on the design of the studios, the design of the buildings, and also the design of the system which we will use.

Mr. BALCER: Have you any American equipment?

Mr. OUIMET: Not at the moment. We are not actually using or operating television at the moment.

The ACTING CHAIRMAN: If there are no further questions on television the next matter is with respect to programming. Shall we start on it now?

Mr. FLEMING: It is five minutes to six, perhaps we had better start on programming at 8 o'clock.

The committee adjourned.

EVENING SESSION

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

The CHAIRMAN: Well, gentlemen, I see a quorum. Has anybody any questions to ask about programming?

Mr. STEWART: I have some questions, Mr. Chairman. But before I ask them perhaps I might be permitted to say a few words about a certain aspect of programming. I refer to the report which was presented to us this afternoon of the C.B.C. operations at Winnipeg during the flood emergency. The whole document seems to be a masterpiece of under-statement. But even at that, I think it reflects the highest credit on the personnel at Winnipeg and at Carman and I would like to pay this tribute to them. I hope we can have the reports of the private stations when they come along because I think they would form a most useful part of our records. I am impressed with the sense of awareness and public duty which the officials had at Winnipeg, and I think it is worthy of the very highest commendation.

The CHAIRMAN: As another member from Winnipeg, you already know that those are my own views. And from observations I entirely concur. I think the statement is an under-statement and I think that we shall find that our colleagues in Winnipeg—they are sometimes called competitors—will report, if they report accurately, a very fine story of service. I know of quite a few cases where there would have been very serious distress if it had not been for the type of messages sent out. People were found by radio in a way you would

not think of unless you actually saw the thing happening. To give you an exact illustration : I met a chap in what is called a community center near where I live. It is really a store but we call it a community center. He was laughing and he said to me: "I am laughing now but I was not laughing just a few hours ago." He had lost his two or three years old baby; his wife was in the hospital giving birth to a baby; then this child took measles and was put in the hospital. When the patients were evacuated out of that hospital he did not know where his baby was. He was running all around trying to discover the youngster. He was laughing when he told me about it, but it was no laughing matter at the time. He had no idea where his child with the measles was. It turned out that the child was evacuated to another hospital, I think at Deer Lodge. At any rate, word came around to him; he was told that someone had heard over the radio where the different patients were, and his child was named. Looking back it was sort of an amusing story but you can imagine how many serious things could have happened if it had not been for this service that the radio gave. The people were certainly blessing the radio around that country in those days.

Mr. STEWART: I have some questions to ask, Mr. Chairman.

The CHAIRMAN: It has been represented that the press need not be so exclusive and that they could come nearer to the throne if they desire. It might be better because they would not have to look at the people on the committee. Do not say you were not asked anyway. Now, who wants to ask questions about programming?

By Mr. Stewart:

Q. Among the documents presented to us—I refer to the document entitled "C.B.C. Programming" and on page 27 thereof—I have a question on "Future Program Plans". The exact quotation is in the fifth paragraph where I read:

There are many program projects which the C.B.C. would like to carry out.

Could Mr. Dunton or Mr. Bushnell or Dr. Frigon tell us what some of these projects are?—A. I think we have mentioned some of them at earlier meetings. A lot is included in the general term "Improvement of Programs"; that is the improvement of the quality of existing programs or the type of program: using more artists in some cases or better artists, or in connection with the payment of them, or better rehearsing, or better production work with these artists or performers of different kinds. It might include the development of a new type of program, some experimenting with the development, for one thing we hope, of programs which can go right across Canada on both the English and the French networks. There is quite a field of study in program production in the way of turning out some kind of program, perhaps with variations and cut-ins for the different networks which might go nationally to all Canada on both networks. One project was the one you spoke about, namely the possibility of a C.B.C. orchestra. It is not definite yet, but we would like to consider it very much and we would like to use even more Canadian musicians than we do now. And perhaps we could go very possibly to the extent of having a special C.B.C. orchestra which could, to some extent, be a national orchestra. We would like to do more and better programming in different parts of Canada outside of the main centres of Montreal and Toronto. We are doing a good deal now but we would like to do still more, for example, in the way of better productions from regional points.

By the Chairman:

Q. How many Canadian musicians are you using now?—A. We are spending close to \$1 million per year for payment of musicians.

By Mr. Stewart:

Q. How many station orchestras have you got?—A. We have no regular station orchestras.

Q. You have no full time employees in orchestras?—A. No. Perhaps Mr. Bushnell could say a few words on the subject.

MR. BUSHNELL: I do not think there is a great deal I can add. But among the things we would like to do would be to get rid of some of our recorded programs. Recorded music in itself is no great sin. As a matter of fact some of the greatest artists in the world have been recorded; and if it is put together with imagination, a recorded program can be very appealing. But we do feel that there is a great quantity of talent in this country which should be put to much better use. We have several recital periods on both the English and French networks and we find many very promising artists. Our difficulty is in finding enough work to make them really professional. It is very difficult for a sort of semi-professional to carry on radio broadcasting because, to give you an illustration, if we have the studios available, let us say, at 10 a.m., and an orchestra available only at 10 a.m., and if a particular person who is to be the soloist or instrumentalist happens to have a full-time job, it means that he or she has to give up that job, and we know that the employer won't put up with it too often. So we would like to have an opportunity to use more of the talent that exists in this country, not only in the great metropolitan areas but throughout the rural areas. That is the part of the country which is still untapped.

I am sure the management would agree with me when I say I would like to have scouts throughout the country going to such things as strawberry festivals, because it is in places like that that you find the best talent in the country, talent which needs encouragement. Let no one think that someone has drawn an imaginary boundary a few miles to the south and put all the imagination, talent, and "artistry" on the south side of that line. That is simply not so. We often find people we would like to use on our recital periods but because of the limitation of funds we can use them only a very few times in the year, I mean because of the very small fees. There are other things we would like to do. For instance, we would like to go into some of the smaller centers on a regional basis and put on programs which reflect the culture of those particular sections. We should like to have more studios in Calgary, Edmonton and Saskatoon, because there is no question about it that talent does exist there. We would like to have better studios in Newfoundland because there is no question that there is talent down there. But until we can have the facilities and the trained staff to produce the programs, we cannot do it. We just have to forget about it.

MR. STEWART: Many people all over the country would like to have a national symphonic orchestra in Canada of some kind. We have got some good orchestras but I doubt if we have a first class orchestra.

MR. FLEMING: What about the Toronto Symphony Orchestra?

MR. STEWART: It is not a first class orchestra when compared with the New York Philharmonic, the Boston Symphony or the Philadelphia Symphony Orchestra.

MR. FLEMING: The Toronto Symphony Orchestra has no peer on the continent.

Mr. STEWART: That is a matter of opinion, of course. I believe that no first class orchestra can be set up except with a certain amount of subsidy. I believe the C.B.C. has done a grand job in subsidizing various orchestras throughout the country and they have brought music to people who otherwise would not have got it. I feel it is only through the C.B.C. that we could establish a national symphony orchestra. But I feel it would be an expensive proposition where you would need a nucleus of at least 50 players and a permanent conductor. What would it cost to have an orchestra such as this, which would not only appear and play in Toronto, let us say, but which would be able to play in other centers throughout the country?

Mr. BUSHNELL: I would think the absolute minimum that would be required to establish an orchestra of the kind you speak of would be—I suggest that 50 players are not sufficient; it takes a minimum of 62 for a good symphonic orchestra; and that it would cost at the very least \$300,000 a year. You would have to pay each musician somewhere between \$3,500 and \$4,000 a year in order to attract him to that particular job; and then you would have to have a permanent conductor and I think that if you wish to do any broadcasting you would want to have assisting artists, so it could not be done for less than \$300,000 to \$350,000 per year.

Mr. STEWART: Would you not have off-set against that the present payments made to musicians?

Mr. BUSHNELL: Oh, yes; but it would not be wise in my opinion to build a national symphony orchestra at the expense of already established symphony orchestras, such as the orchestras at Vancouver, Winnipeg, Montreal, and elsewhere. If it were not for the fact that the C.B.C. to some extent subsidizes—do not misunderstand me, we do get cash value for our money—but we do make payments to symphonic orchestras to the tune of somewhere between \$55,000 to \$60,000 a year.

Mr. STEWART: Without that they could not keep going?

Mr. BUSHNELL: I am afraid it would be very difficult going without that. I would not say that they could not exist, because by public subscriptions they get a lot of money; but certainly payments by C.B.C. just take them over the edge. So I would not be in favour of creating a symphony orchestra if it were going to destroy the symphony orchestras in other cities, because these orchestras in other cities should exist, in my opinion. Moreover, during the war it would have been very difficult to have established a national symphony orchestra without tearing down the other existing symphonies because there just were not enough good players in the country. During the war the lads who were musicians were trained in the Air Force Bands and Orchestras and in the Army and so on, so that today there are quite enough first class performers in this country so that they could be brought to one central point without doing any great harm to the existing symphonies.

The CHAIRMAN: You spoke of off-setting and you said there would be some off-setting; but at the same time or immediately afterwards you remarked about the probable inadvisability of availing yourself of such off-setting. You were then referring to the extent it was already being made?

Mr. BUSHNELL. That is right.

The CHAIRMAN: With reference to that \$300,000 or \$350,000, would there be any other off-set between the revenue that the orchestra might obtain?

Mr. BUSHNELL: Revenue would accrue largely from performances. But if you had an orchestra on the road sent to Montreal and other cities travelling costs are so high that there would be very little net profit, if you had any.

The CHAIRMAN: Consequently your \$300,000 or \$350,000 would be pretty close to the net?

Mr. BUSHNELL: Yes, pretty close.

Mr. MURRAY: There is no chance I suppose of anybody sponsoring it?

Mr. BUSHNELL: The Robert Simpson Company in Toronto sponsors the Pop concerts; and that is a distinct possibility.

Mr. MURRAY: Would the corporation consider getting in touch with Edward Johnson now that he is free from his engagement at the Metropolitan in New York? He might be a very good adviser?

The WITNESS: I think our officials have been in touch with him.

Mr. BUSHNELL: I have had the honour and pleasure of talking to Edward Johnson on many occasions. He was very interested in the work that the C.B.C. is doing in the operatic field. The C.B.C. has created an opera company of its own assisted by the Royal Conservatory of Music; and Mr. Johnson is very interested in that development. He has promised to lend all possible assistance to us and we would certainly wish to draw upon his great experience.

Mr. HANSELL: With respect to a national orchestra, I have no objection whatever to the C.B.C. working towards an orchestra they can call their own. I know that we use the term "national orchestra" but I have never quite been able to satisfy myself that an orchestra composed of, let us say, 62 musicians really constitutes a national orchestra. It might constitute 62 first class musicians drawn from the musicians of the country; but I do not see how that would be national, particularly. Now in respect to Mr. Bushnell's statement as to what they would like to do throughout the country, that is interesting to me, particularly the idea of having scouts, if possible, because I believe there is a great deal of talent throughout the country. Might I ask just how the York Knitting Mills find their singers?

Mr. BUSHNELL: They have an audition board of either two or three—certainly not less than two—who go across the country. As a matter of fact, that program is not going to be continued by the York Knitting Mills. But they send out an audition group of two and sometimes three; and they give it publicity well in advance; so it is pretty well known throughout the musical production centres that these people are coming and when they are coming, and the various schools of music and music teachers asked their pupils to audition. In cases where it is not possible for some, let us say, a baritone who lives in Lethbridge, who is unable to go to Calgary for an audition, he goes to the local station and makes a recording and that recording is submitted to the audition board. However, I would just like to say this that while I mention the great need for more talent scouts the fact of the matter is that the C.B.C. literally auditions thousands of people throughout the year but even then we are not doing what we should be doing particularly in the rural centres of this country. I was brought up in one and I know what talent exists there. We are not just getting down to the grass roots. Some of these people are very fearful of even presenting themselves for audition, and it is our job as I see it, to go out and seek them rather than their having to come to seek us, and I know if we did that we are going to find, if you like, in the entertainment field somewhere an embryonic Wayne and Shuster. These lads started ten or twelve years ago and today they have become a great success, in my opinion, in the entertainment world. There are many other Waynes and Shusters, lots of them.

Mr. MURRAY: I may say that these musical festivals held in the Peace River country away back in the open spaces are very interesting and that if one of your scouts could attend some of these you would find lots of talent just pouring forth, you know, without any stimulation of any kind, people who just love to sing.

Mr. BUSHNELL: We do attend most of the music festivals and we find quite a number of people there. However, it is one thing to find them and it is another thing to give them opportunities, and that is one of the things that we need. We are putting on far too many recorded programs, in my opinion, and the reason we are doing it is simply because we have not got enough money to pay live talent, and may I suggest this to the committee, that if you use live talent it must necessarily follow that you have large production centres in which to house them and you must have a large production staff; there is no use of finding live talent if you have not got a place to put them on. That means pianos, that means studios, it means producers who are expert in their field, and that, in my opinion, is what C.B.C. needs at the present time.

Mr. STEWART: I have some complaints, Mr. Bushnell, not about the quality of talent which appears on Stage 50, but about the fact that they appear to be the same people time after time. Is there any reason for that? Is it because there is a shortage of competent actors and actresses?

Mr. BUSHNELL: No, there is no shortage of competent actors and actresses in this country but it has taken us at least five, six, or seven years to build that radio repertory company.

Now, then, you get back to the straight question of economics, having developed those people are you going to give them a livelihood or are you going to spread your butter a little too thin to the point where the most competent people have to go out and get themselves another job in order to survive? We have taken the attitude that it is better, if you like, to feed the few well than feed too many poorly. However, I think if the situation was examined closely it would be found that there is a much wider use of acting talent made on Stage 50 and on our Wednesday night programs and other dramatic programs than is generally supposed. Some new shining light comes along, and I will give you an example. I will not name her, but a young lady came from Edmonton just eighteen months ago and she has become a star and is making a very good living by acting on radio; she supplanted somebody else.

Mr. STEWART: Do many of those actors and actresses depend on other income programs to get going as well?

Mr. BUSHNELL: Some of them do now. Indeed the situation, and I would like Dr. Frigon to speak on this, because he has a much wider knowledge of it than I have, but the situation on the French network is much more serious than on the English network with this possible exception. There is, in Montreal I would think, and rightly so, more commercial activity on the French network than there is on the English network and therefore some of the best actresses and actors and writers are gainfully employed in commercial production there.

Dr. FRIGON: The point is not that there are so many more commercials, but in Quebec we have to put useful programs in Quebec. On the two English language networks you may have productions from many points in Canada or from the United States. In Quebec, everything has to be produced in our own studios, in French, with scripts written especially for the purpose, which means we have more actors and musicians working on local network commercials than anywhere else. And that is why we need so many studios in Montreal, as you will see on Monday. Fifteen years ago, or maybe fourteen, there were not as many, but gradually the sponsors recognized the fact that if they wanted to reach the population of Quebec they had to produce shows for them, not simply translate American shows or try to feed them some English language shows. There are many writers in Quebec making a good living writing scripts for the local population. Now, you are talking about auditions. We have on the French network a program similar to the singing stars of tomorrow. We have auditioned almost 650 candidates for this program. They come from all over

Canada. Some were auditioned in the studios and others by making recordings at some other stations, and many of them studying in Toronto auditioned in Toronto and Montreal. There are many ways to audition programs.

We carry some very good commercial shows both produced in Canada and in the United States and yet there are some that should very well be replaced by shows produced by us, the way we like it. Because of circumstances and conditions we have produced on the French network a number of shows and a number of them which gradually found favour with the public, and now we are in a position to refuse sponsors to sponsor them. We want them to be C.B.C. programs. That goes for the Radio Theatre in Quebec, that goes for quite a number of programs that we produce as we think they should be produced, and when they were established a sponsor went after them. At the present time we have bids for at least three of these shows. We will not sell them. Those are C.B.C. sustaining shows and they must remain as such.

Mr. GAUTHIER: "Petit train du matin" and "Soirées de chez nous." That is very popular. We have had it for a long time. The folklore music program from 7.30 to 8.00.

Mr. GAUTHIER (*Portneuf*): What about Radio Theatre?

Dr. FRIGON: We have had offers for Radio Theatre. We refused to sell that until we found a sponsor who was satisfied to just put a commercial script at the beginning and end. We insisted on remaining the producer of the show as we liked it.

It is the same with the very very popular program "Un homme et son péché". That was sold on the condition that we were to produce it as we thought best without any interference from anybody. We did produce the show and sent the bill to the sponsor who pays the bill. His commercial message consists only in one minute at the beginning and one minute at the end. Even that short time in my estimation spoils the show from an artistic point of view, that small commercial touch at the beginning and end tends to kill the thing. It is a very popular show, though.

Now, you have other ways of improving programs, as I said, we have commercials. We would like to drop a number of commercials and replace them by programs produced by us, but every time you cancel a commercial you lose the revenue and you must spend money to replace the show. It is not only the matter of losing a few thousand dollars because you do not sell the station, it is because you must spend so much money to produce the show. Now, you have another thing; producers are too loaded with work. You cannot expect a producer to produce five, six, seven or ten shows a week and do a good job of it. We have some producers, not only specialists, but they have not enough time to think and produce their shows. Stage 50 is a good show. It became a good show because, I think, the producer is a very good man indeed and he was not loaded with work. He could spend time, and we gave him facilities to build a big show by putting money into the show. It is good because it costs money, and there is a good man in charge. We need more producers better paid so they will not be attracted to commercial programs. Commercial programs often pay more than we can afford. If a company has a budget to go on the air, they have one program to produce and their budget goes all on that. On the other hand we have to distribute our money over a great number of programs. We could improve the quality by having more producers better paid and give them a chance to think about their shows.

Mr. STEWART: What do you pay for a script for Stage 50?

Mr. BUSHNELL: Well, that is a very good question. When we started Stage 50, I think it began as Stage 45, it was an hour's show. I am almost reluctant to give you the figure because I know that on the French network they do not pay that kind of money, they have not got it.

Mr. GAUTHIER (*Portneuf*): That is interesting.

Mr. BUSHNELL: Very interesting. But we started out by paying—let me go back a little: in the year 1940, we used to pay \$25 for a half hour script and we paid \$35 for an hour's script, and very few we had because we could not afford the \$35. In 1946 that had gradually gone up from \$35 to \$50 for half hour script and had gone up from \$50 to \$100 for an hour's. At the present time if I may make a confession we cannot buy an hour's script from any reputable writer in this country—and we do an awful lot of chiseling—but we cannot buy an hour's script for less than \$200 and for the most part we pay \$250 and \$300 for an hour's script.

Mr. STEWART: How many months of work do you think would go into an hour's script?

Mr. BUSHNELL: We were debating that point as a matter of fact just before dinner. On some scripts where there is a great deal of research and documentation required it will take a competent writer—for he must be very careful with his facts—it will take any competent writer anywhere from four to six weeks. I would ask you to remember this, that on some of our Wednesday night presentations which are from one and a half to two hours in length, they are the equal, if you like, of a full stage play, and from my experience in the theatre I do not think that I have ever known a really good play to be written under six months. At the present time we do have writers in Canada who can turn these out in four to six weeks. Now, in order to earn a living a writer must produce at least a very minimum of ten to twelve scripts a year. We are the only—I would not say the only organization to which he can sell material—but certainly we are the only radio organization to which he can sell material. Some of our writers are also writing for some of the Canadian publications which, I must say, are doing a great deal. One whom I have in mind, I shall not name it, with whom we work very closely, is doing a great deal to encourage Canadian writers, but a great many people who are doing radio writing are also doing writing for some of the better Canadian publications in this country and in that way they are making a very good living.

Dr. FRIGON: There is another angle to that. Take a man who can write a good script. He will probably write a number of them and submit them for acceptance. They may not be accepted for many reasons. First, there may be other scripts that are better, which will be accepted first, it may be that there is no spot, no time on the air for that sort of script at that time, though the man may write a number of scripts before he gets one accepted. He does not get \$250 on the French network but whatever he gets he may have had to write two or three scripts before one is accepted because of these conditions.

Now, if he is asked by a sponsor to write for him, a writer may write five a week. He may have two or three stations and he may even write ten or fifteen scripts in a week. He may not be so particular about the literary quality of the work, he may get out twenty to twenty-five scripts, and it takes a good deal of money to get a man away from that sort of business. Some in Quebec are making quite a good income out of script writing of that sort.

Now, if they do get \$15,000 or \$20,000 a year, for that sort of work—it is not so difficult, I suppose—it is hard to get them to write good scripts for us for one occasion or two occasions often even five in the year. The money isn't there. If you want to get them you have to pay them more money. In other fields, take orchestras; well, very often we may have an orchestra with eighteen to twenty musicians but we would like it to be composed of thirty-five, but we cannot afford it. Or we would like to give them a lot of rehearsals but we cannot do that. We limit a producer to so many hours of rehearsals for his show. It is a good show, say, a good production, but maybe if he had two or three violins more in the orchestra it would be better. That is one place you could spend money to good advantage. We have only one network in Quebec,

there has been talk of a second network, and as I said, there are so many commercials that many of the most promising writers write commercial shows. We simply cannot afford to pay them enough money to bring them to our side. There is a case I have in mind which is now the most popular show. The man came to see me about three years ago. At that time we were paying him \$5,000 a year for the work he was doing. He said, "I need more money." And I asked him how much and he said, "\$10,000". I am sorry, I said, we cannot afford to pay that. There is only one thing to do, and that is to find a sponsor for your show to pay you the money. That same man instead of getting \$5,000, now gets \$15,000.

Mr. GAUTHIER (*Portneuf*): Is that a roman fleuve?

Dr. FRIGON: No, Un Homme et Son P  ché.

Mr. MURRAY: May I ask if the universities are active in training writers?

Dr. FRIGON: I do not know. I do not believe much in training a man to write for radio; he has first to be a writer.

Mr. MURRAY: How would a man know if he was not trained? The technique is entirely unlike stage plays.

Dr. FRIGON: The good writers usually can sell their script somewhere else.

Mr. MURRAY: I mean a young man and a woman who are coming along; surely there must be a course in some of the universities on radio script writing.

Dr. FRIGON: The thing is this, first, they should know how to write.

Mr. MURRAY: I mean from the mental end of it.

Dr. FRIGON: The foundation for that is laid in the Arts course.

Mr. MURRAY: It is taught in the university?

The WITNESS: I suggest that with respect to radio writing you can take a man and advise and train him in what radio needs. It is not a case of teaching a person to be a radio writer—a course doesn't alone make him a radio writer or a writer in any field. Generally you can develop the technique through experience, but natural ability, or genius, counts most, and I do not think that is a thing which a university can give them. You can give them the essential framework of the radio script, and that is fairly simple, and let them come on themselves from that.

Mr. MURRAY: Let us take a high school, for instance.

The WITNESS: Well, I take it that part of the objective of our educational system is to turn out well rounded individuals, people with a good literary sense.

Mr. MURRAY: I was thinking more of the writer and his capacity to earn, and I was wondering if you could tell me what you pay him; would it be something around \$25 or \$50 or \$100.

Mr. BUSHNELL: That depends on the work he is doing.

The WITNESS: Sometimes more than that.

Mr. MURRAY: Suppose you pay him \$250 and it takes three months to write a play, he could barely get by on that.

The WITNESS: Yes, and as Mr. Bushnell tried to explain, you may take an untrained writer and you try to make a radio script writer out of him. But I don't see how you can do that in the ordinary way. He has to have a certain amount of talent for writing and that he has to develop. It must be something which is in the individual. I do not believe it is something that our universities can train him in. After all, script writing is a comparatively simple thing. With most of them, we can give them some help.

Mr. MURRAY: Well, a good lawyer gets \$100 for one day in court.

Mr. SMITH: (*Calgary West*): I get more than that.

Mr. MURRAY: And these writers who are rather despised and rejected get \$25 for a week's work.

The WITNESS: We don't despise him. We admit that we would like to pay him a lot more but we simply haven't got the money.

Mr. RICHARD: When you use a script do you buy the copyright to it?

Mr. BUSHNELL: No, we get one performance right only. If we tried to buy the world rights or performing rights it would cost us a great deal more.

Mr. RICHARD: What percentage of time do you give to commercials?

Dr. FRIGON: It would work out at about one-fifth of the time.

Mr. RICHARD: Of the entire broadcasts?

Dr. FRIGON: That is right.

Mr. STEWART: Can you tell me what the corporation does to encourage young composers?

Mr. BUSHNELL: That is a wide field, a broad subject indeed. You are speaking of composers of music?

Mr. STEWART: Yes.

Mr. BUSHNELL: Well, we give a great deal of encouragement in the first place to the presentation of Canadian music, and the composer is not only interested in putting it on but also in the fact that his music is heard by quite a large number of people. I would think it is safe to say we spend anywhere from \$75,000 to \$100,000 a year in encouraging composers to write for radio in one form or another. Now, I am not suggesting that we pay them that amount to write symphonies, to write quartets, to write things in other fields, classical or otherwise; but there is a great deal of music that is heard on the C.B.C. that is original composition and the men are paid for it. But, as I said, we spend I would say, and this is only a guess, between \$75,000 and \$100,000 a year for that purpose.

Mr. STEWART: That is pretty good.

Dr. FRIGON: We put ourselves out to a considerable extent to encourage young artists, persons with talent. For instance, there was a case in which we used the network to encourage a Canadian poet by presenting a complete book of his poetry on the air. Then another field in which we have done that is story writing, we have produced a great number of short stories written especially for radio. All of that is done with the object of encouraging those who can write, both in the field of literature and music, and we do that both in respect to our French and English networks, and one of the outstanding purposes of giving such encouragement is to make the individual's name better known. Take in the case of the French network—I am not going to give the name, but we gave an artist \$500 a month—that is not very much, but we gave him a 26 weeks engagement at the rate of \$75 per program, and in addition to that he got this \$500 a month, but he became known better, and because of that, because of these contests which we put on, a lot of young singers have become widely and well known. We launch them through one of these contests and then they go into circulation, so to speak. That is one way in which we are giving them encouragement.

Mr. STEWART: How do your fees compare as between writers and singers?

Mr. BUSHNELL: They are not comparable to quite the same extent. Reputation is a big factor. There are some singers who have a high reputation who get paid anywhere from \$75 to \$100 or \$150.

Mr. GAUTHIER (*Portneuf*): How much do you pay beginners?

Mr. BUSHNELL: The same rate as the others, we have to pay the minimum.

Mr. GAUTHIER (*Portneuf*): Do you pay the union rate to a girl, let us say, who does not belong to the union?

Mr. BUSHNELL: Yes, actually we are obliged if you like—I say obliged; we have agreed with the unions that in cases where we use non-union artists both in the musical and dramatic fields we pay a standby fee to the union.

Mr. GAUTHIER (*Portneuf*): You have to do that?

Mr. BUSHNELL: Yes.

Mr. MURRAY: Do you have to pay a standby whether the artists are performing or not?

Mr. BUSHNELL: That is correct.

Dr. FRIGON: It is paid to the union, not to the performer.

Mr. MURRAY: A pianist, for instance.

Dr. FRIGON: Supposing you want to encourage a young apprentice not a member of a union and you want to pay him \$25, you pay him the \$25 and because he is not a member of the union you have to pay this union itself another \$25.

Mr. MURRAY: That means it costs you \$50?

Dr. FRIGON: Yes.

Mr. BUSHNELL: May I put in a word here. We have had our quarrels with the unions for a long time, but may I suggest in all earnestness that the great body of talent in this country does belong to the unions, and when they reach professional status it is in my opinion to their advantage to join the union. With union comes strength, and, as you know, they dictate their own terms. Broadcasting could not exist in Canada today on a national or on any other basis in my opinion without them. That is the place for young talent to look to, and that is where we get our talent from, the unions, and whether we like it or not we have to make our peace with the unions and get along with them.

The CHAIRMAN: I would like to add this statement as a trade unionist of long standing, that if it had not been for the trade unions and if it were not today for the trade unions, musicians and all manner of other workers would be working under almost medieval conditions. Speaking generally, there are exceptions of course, but speaking generally, the man who is in business will get along much better with the support of the unions.

Mr. HANSELL: Now that reference has been made to this matter of unions and the question of standbys has come up, it might be surprising to some members to learn that in the case where you want to put a high school orchestra on the air you have to pay an entire orchestra to stand by?

Mr. BUSHNELL: That is the rule rather than the exception; but I must say this, that on occasions when we have felt that it was in the interest of the program to engage a high school orchestra or non-union orchestra if you like, that we have had to ask permission from the union to permit us to do so, and in some cases although not in every case, but in some cases that permission has been granted.

Mr. SMITH (*Calgary West*): Yes, and you know what happens right here in the City of Ottawa. There is no question about it, we all know it. There are some very fine military bands who are ready and anxious to perform and there are lots of people in Canada who would like to hear them, but is it not a fact that you cannot put such a band on the air without paying the fee to the union for a standby band if you want to do that?

Mr. BUSHNELL: That is correct.

Mr. SMITH (*Calgary West*): That is true in connection with a lot of things such as orchestras and so on?

Mr. BUSHNELL: That is correct.

Mr. SMITH (*Calgary West*): I am not so much condemning it; that is a simple statement of fact, is it not?

Mr. BUSHNELL: That is correct.

Dr. FRIGON: There is this other angle of it to consider, a performer who has a reputation expects us to give him enough work to enable him to make his living and at the same time the beginner expects us to help him to build up his reputation. We have that interplay of interests to face continually.

Mr. BUSHNELL: While I am not pleading the case of the union by any means, there is nothing to prevent any person who has arrived at the necessary stage of efficiency from joining a union and then he would be allowed to speak or sing or play or whatever it is he wants to do.

Mr. SMITH (*Calgary West*): I quite agree with you. I am not quarrelling with you, I am not arguing against that.

Dr. FRIGON: And we have that problem now, we have the union telling us we won't play for you if the composer does not belong to this other union; in other words, there is the combination of the two, the man who composes says I will not compose for you if these people do not play for you and the players say we won't play for you if you do not have these composers.

Mr. MURRAY: Musical composers, do you mean?

Dr. FRIGON: No, that is literary.

Mr. MURRAY: Oh, you have to belong to the Guild?

Dr. FRIGON: Yes.

Mr. MURRAY: And then there is the Artists Guild.

Dr. FRIGON: And they say we will not write for you unless you have these other people play for you, and you will have to use our scripts only; and the actors say, if you want us to play for you, you have to have your script written by this other group.

Mr. HANSELL: In other words, there is a tie-up between the other unions.

Mr. SMITH (*Calgary West*): Is this a fair statement? I am going to use Mr. Bushnell's expression: in order to carry on musical broadcasting in Canada whether by instruments or vocal, you have to make your peace with some union in order to carry on; that is the situation.

Dr. FRIGON: We do not object to that particularly, especially with the unions. They control their members, you see, make sure that they behave; for instance, some of the unions see to it that their members comply with our regulations with respect to rehearsals. All we have to do is call the chairman of the union or the secretary and say that so and so is always late for rehearsals and they see to it that that person is on time, and that is very helpful.

Mr. SMITH (*Calgary West*): I am not arguing against the unions, I am very much for them; but the simple fact is that in order to carry on musical broadcasting with the Canadian Broadcasting Corporation you must make your peace, again to use Mr. Bushnell's expression, with the unions, in order to carry on; is that a fair statement?

Mr. BUSHNELL: I would agree with that.

Mr. RICHARD: Is there any agreement or requirement as to the proportion of live broadcasts as compared to other types of broadcasting?

Mr. BUSHNELL: That, if I may say so, comes under board regulations.

The WITNESS: We have no agreement with the unions as to the proportion of time. What we do have is a regulation determining the number of hours,

or limiting the number of hours between 7:30 and 11 p.m. which may be used for recorded programs. That is a general regulation covering the situation. It is not a question of agreement, you see.

Mr. SMITH: (*Calgary West*): In carrying this thing a step further, we will assume that you have some records that you want to get from the United States; what do you pay by way of duty, what do you pay by way of royalty for the use of those records?

Mr. BUSHNELL: If they are ordinary records and we need them we simply go down to the store and buy them. There is no duty or no special tax of any kind on them. With respect to transcriptions, we do pay.

Mr. SMITH (*Calgary West*): That is what I have in mind. Let us say Gilbert and Sullivan which had such a brilliant run in New York City a couple of years ago. They did a great job, had a long run and so on, and the recordings of their show were not available in this country for quite some considerable time. Assuming that you wanted to use some of those records, what would you have to pay for the right to use them, I mean in dollars and cents?

Mr. BUSHNELL: You have to buy them in the first place from the company and you have to buy them at the prescribed price, then there is the import duty on them. I think possibly Mr. Bramah could tell you about that better than I could.

Mr. SMITH (*Calgary West*): Is there not some union regulation with respect to the use of records brought in in that way?

Mr. BUSHNELL: Not that I know of.

Dr. FRIGON: We do protect the unions by stating that stations could play only so many records per evening.

Mr. MURRAY: You announce it is a recording?

Dr. FRIGON: In order to encourage local talent we determine that stations, depending on their power and their locality, should not use more than so many recorded programs per evening. That is Mr. Dunton's department.

Mr. RICHARD: You said, Mr. Dunton, that that was your own regulation. Do you think you could get away with putting on only records? Would the unions object if they had only one-fifteenth of the time of the broadcasts?

The WITNESS: I think they would likely object very much and with good reason. If the C.B.C. was playing 90 per cent recorded programs we would not be doing our job to the country. There is no agreement they could refer to,—

Mr. SMITH (*Calgary West*): The public would object.

The WITNESS: We would start by objecting.

Dr. FRIGON: We have a specific case before us. We have been requested whenever we play recorded programs coming from other countries we must get those other countries to play a similar number of programs from Canada. Suppose you are broadcasting one hour per week from the B.B.C. This particular group is asking us to make sure that the B.B.C. carries the same period of Canadian programs. We are discussing that now.

Mr. MURRAY: That would be a rather good thing, would it not?

Dr. FRIGON: To a certain extent, yes. From the point of operation it is very difficult.

Mr. SMITH: (*Calgary West*): In order to get this completely, perhaps, the program of which I am very fond was broadcast over the corporation's network for a good many Sundays. I am referring to Singing Stars of Tomorrow put on by the York Knitting Mills. Now, I gather, those splendid artists must have been paid by the sponsor of the program. Well, now, having won this award

that was given a few Sundays ago, are they now members of the union or may you use those delightful voices both male and female as yet?

Mr. BUSHNELL: I would not like to say that specifically but I think having achieved that success and with a musical career in prospect, that they must almost automatically become members of a union.

Mr. SMITH (*Calgary West*): There is then no place else for them to go.

Mr. BUSHNELL: None whatsoever.

Mr. SMITH (*Calgary West*): In other words, we are in a position in Canada today where, to carry on good entertainment by radio, we must just deal with you.

The CHAIRMAN: A good many years ago the organization was about one hundred per cent organized in Winnipeg.

Mr. SMITH (*Calgary West*): Oh, yes; if they were that in Winnipeg, they must have been one hundred and five per cent down here.

The CHAIRMAN: I know they were strongly organized a great many years ago because I was their solicitor for a great many years.

Mr. SMITH (*Calgary West*): That is one reason they were so well organized.

The CHAIRMAN: Yes, perhaps, but I was stating the development of very great and complete unionization is not recent. That is what I mean to imply.

Mr. SMITH (*Calgary West*): No, we have had it before the committee in bygone years. Who is the head of the musicians' union in Canada?

Mr. BUSHNELL: Mr. Walter Murdock.

Mr. SMITH (*Calgary West*): The same man from Toronto. Should I gather that Mr. Petrillo is still the boss man in North America?

The CHAIRMAN: Mr. Petrillo is the international president and Mr. Walter Murdock is the Canadian vice-president.

Mr. BUSHNELL: I would like to put it this way, that in the American Federation of Musicians Union, as I understand it, a great deal of latitude is given, and certainly this applies to Canada, to the local unions, and as far as I am aware, Mr. Petrillo has taken the advice and the suggestions and the recommendations of Mr. Murdock to a very large extent.

Mr. SMITH (*Calgary West*): I understand so.

Mr. BUSHNELL: You may have seen it in the press, but I think it is only fair to mention the great co-operation the radio industry has met with, in the program which was put on last Friday night on behalf of the Manitoba Flood Relief Campaign.

Mr. SMITH (*Calgary West*): You mean the one from Toronto?

Mr. BUSHNELL: Yes, and there the full resources of the American Federation of Musicians were put at the disposal of the radio industry for an affair that was started both by the private stations and the C.B.C. We got together and pooled our resources and if any of you gentlemen here heard it I think you will agree that it had a fair measure of success.

Mr. SMITH (*Calgary West*): More than that, it was really splendid.

Mr. BUSHNELL: The Toronto Symphony Orchestra who are all members of the A.F.M. donated their services; The American Federation of Musicians, that is the New York section, paid the salary of Mr. Fred Waring, and his orchestra and his glee club of which there are sixty members; and the T.C.A. laid on two North Star planes went to New York, brought them up and took them back. The Canadian Association of Radio Artists contributed their services. Mr. George Formby came out here from England at his own expense and contributed his services. There was not one penny spent on that program and we received the greatest assistance from all the union organizations concerned.

As a matter of fact, I think it is safe to say that Mr. Murdock spent at least \$500 on long distance telephone calls in order to get these artists.

Mr. SMITH (*Calgary West*): Did the Maple Leaf Gardens charge you anything?

Mr. BUSHNELL: Not one penny did they charge, and I believe this afternoon there was a small ceremony in which Mr. Smyth turned over a cheque to the Manitoba Flood Relief Fund of over \$25,000.

Mr. SMITH (*Calgary West*): I understood that, but I did not want it to be overlooked in your summary.

Mr. BUSHNELL: I am sorry I overlooked Maple Leaf Gardens because they made it possible to present such a show before a very large audience.

Dr. FRIGON: The same thing is being done at Montreal in the Forum.

Mr. SMITH (*Calgary West*): Now, I want to ask you this question: can George Formby perform over here without joining a union in this country?

Mr. BUSHNELL: In a case of a benefit concert I doubt if that question would be asked but I think it is very safe to say that Mr. George Formby belongs to both the Actors Equity in England and the Guild of Variety Artists, as well. He probably holds two cards, so there would be no question of his performing here with union musicians in Canada.

Mr. SMITH (*Calgary West*): Does he necessarily belong to any unions on this continent?

The CHAIRMAN: There would probably be reciprocity in that.

Mr. SMITH (*Calgary West*): I hope so. I was getting the benefit of Mr. Bushnell's knowledge because I know he knows. I do not.

The CHAIRMAN: Are there any other questions?

Mr. STEWART: There is another one I would like to ask. We hear every evening a very excellent summary from Lake Success and from London and, of course, we have on Sunday afternoon at 2 o'clock the report from capital hill.

Mr. BUSHNELL: Please do not confuse that with Capital Report.

Mr. STEWART: Capital Report, I am sorry.

The CHAIRMAN: You would not have used the word very excellent had you referred to capital hill.

Mr. STEWART: I was wondering if it was possible for the service to be extended so that there might perhaps be once a week or every two weeks a report from Paris, from Brussels, from Sydney, or other capitals of the world, relating happenings which might be of interest to Canadians?

Mr. BUSHNELL: That is under serious consideration at the moment and there again the factor of cost enters into it. It is not a question, if you like, of paying a correspondent but of getting the material to you and getting it when it is topical, when it is current. As a matter of fact, there is a young woman on the French network, who contributes regularly to the French service, from France, and there is a young man who is going shortly to Paris who will be reporting from there for the English network. We would like to include other world capitals but it is a question of paying for the transmission services which are very very expensive. We do have Mr. Halton in London and occasionally he has the opportunity of going to other world capitals in Europe.

Mr. STEWART: How many hours a week do you set aside for school educational broadcasts? That is, per zone?

Mr. BUSHNELL: Per zone. Well, of course, it is done on a regional basis in co-operation with the provincial department of education and in practically each region we devote half an hour a day, four days a week, and then on

Fridays we have the national school broadcast. I suppose that adds up to two and a half hours a week of straight school broadcasting.

The WITNESS: With some extra in some regions. A minimum of two and a half hours.

Mr. BUSHNELL: That is right.

Mr. MURRAY: When television is brought to you in the C.B.C. how will you apply it in respect to these schools?

The WITNESS: I do not think anyone quite knows that. As I explained it this afternoon, the educational authorities are very interested in examining the possibilities of television in schools and we would like to go into it too. We will have to do some experimenting.

Dr. FRIGON: So far as school broadcasting is concerned, one of the big problems is to buy receivers for the schools. If you want five or six or ten receivers for schools there are many school boards who cannot afford it. That has been a great problem in Great Britain and it is in Canada also, the cost to school boards in purchasing equipment.

The CHAIRMAN: What would that cost be at the present time?

Dr. FRIGON: Well, if you want to have a good receiver to give good music and reception you would have to pay \$100 for a sound receiver. Television we do not know yet. The prices are changing all the time.

Mr. MURRAY: Would it not be possible for one very expert teacher to give a lecture which would be heard all over the province of Ontario—I mean with television?

Dr. FRIGON: That is the advantage of school broadcasting.

Mr. MURRAY: With the teacher drawing a picture on the blackboard or showing the apparatus being used in the laboratory and so forth.

Dr. FRIGON: In my estimation the system which is after all the only system which is really worthwhile is that very thing that you can bring into each school room, the best knowledge in the country, and then the teacher takes over and explains to the pupils what has been told by the master through the television set. That requires receivers, and even in Great Britain when it started, and that was not so long ago, they had no receivers.

Mr. MURRAY: You would be saving salaries of teachers?

Dr. FRIGON: No, you cannot do that. You cannot have broadcasting without teachers, the teacher is the important thing in broadcasting.

Mr. GAUTHIER (*Sudbury*): She makes a résumé.

Dr. FRIGON: She says to the class after the television program has been completed, "you have just heard the best historian in Canada talking to you about the Hudson Bay." There she has the basis, she has her plan all set and she takes over then.

Mr. MURRAY: It will be a tremendous force for good if properly organized.

Dr. FRIGON: I remember when the Aird commission went to England we went to Kent county. At that time all the sets they had in the schools were given by the citizens of the place. The school board could not afford to buy the equipment. They had a large assortment of different kinds of receivers which were given to the school by the local citizens.

The CHAIRMAN: Just a slight digression, gentlemen. Would you mention, if you know, the number of receivers extant in Great Britain and the number of receivers extant in the United States at the present time? I know there is a big disparity at the present time.

Dr. FRIGON: You mean all told?

The CHAIRMAN: How many receivers has the British system as against the United States?

The WITNESS: The last figure we have from Britain is about 300,000.

Mr. OUMET: Speaking about television, about 300,000 in Great Britain and 6,000,000 in the United States.

The WITNESS: The British production of television receivers has been held up.

Dr. FRIGON: The manufacturers in the United States have publicized television and have made the public television minded, and when the restrictions were lifted they started to sell sets and it really was almost an explosion, everybody bought sets.

The WITNESS: Television in the class room certainly will be a great step forward in the education of children, but, too, another interesting feature is that the children will see plenty after school. They will see all that is going on and that will make a very strong impression on their minds; it will not be important in a school sense but a good proportion of it should be useful and give them good impressions and a certain amount of information.

Mr. RICHARD: Do you not expect if you do educational broadcasting during school hours you would have to consult the provinces.

The WITNESS: Certainly. I started out by explaining all that. Our advisory school council is made up of representatives of the provinces.

Dr. FRIGON: You should not confuse school broadcasts and educational broadcasts. In Quebec we have what we call Radio College. That is not a school broadcast although it is a broadcast which is meant to educate people but it does not get in school rooms in the regular curriculum of the school, it is not part of the educational system, it is a supplement to the basic teaching in school for schools.

The CHAIRMAN: Will we be able to move on from this?

By Mr. Fleming:

Q. I have two questions on programming: in the case of your announcers is there any supervision exercised over them? One hears complaints,—I do not say I always agree with them,—on the subject of colloquial English and errors in pronunciation on the part of announcers. I suppose you do too, Mr. Dunton? —A. Yes, quite a lot. We have one man whose function is just that, to supervise all broadcast language, who does nothing else but train and watch the language of announcers. I think he is one of the best people in the country on the use of the English language. I may say the principles of our use of language are not that there is one set pronunciation which is right for Canada and for all Canadians. We believe that the proper principle in Canada is that a pronunciation is acceptable as long as there is an authority for it,—a good authority,—and that it is natural to the man who is speaking. In other words, you may hear different pronunciations on the air. We will only check a man up if he is using something that is foreign and unusual and there is no authority for it.

Q. Do you accept American authorities as authority?—A. Yes, we will accept Webster as an authority because I think a great many Canadians have used Webster's pronunciation. We do hear a number of complaints on the language of announcers and their slips on the air, but the complaints I see most are differences in taste or a difference in habit of listening rather than actual errors.

Q. You do not give the English standard authorities any preference at all over the American authorities?

Mr. BUSHNELL: Which would you say, Mr. Fleming, schedule, or schedule (skedule)?

Mr. FLEMING: Schedule.

Mr. GAUTHIER (*Portneuf*): Do you accept slang?

The WITNESS: We prefer to call it living English.

Mr. FLEMING: To what extent do you encourage colloquialisms?

The WITNESS: In matters of language we try to use good sense and good judgment and avoid rigid rules. At the same time we do try to encourage the way we think English has developed over the centuries—with a readiness to admit new words and new forms of expression.

Mr. MURRAY: I think your announcers do very well, and I have heard very little complaint in the north.

Mr. FLEMING: What is the sort of thing you tell them not to use?

Mr. BUSHNELL: Tell them not to say "aint".

Mr. GAUTHIER (*Portneuf*): Dr. Frigon, have you got the same organization in the French network?

Dr. FRIGON: To the same extent, no. We have followed this expert in the English network, followed his directives, we published some notes though we have not gone into this, not standardization, but this control the same as the English networks have.

The WITNESS: It is not so necessary in the French networks.

Dr. FRIGON: We are speaking now about announcers. If the action of a play is laid in the Laurentian Mountains you cannot get them to speak Parisian, the announcers we have have no system, but we are very careful to see they are very good announcers.

The WITNESS: We have an announcers' handbook. It contains a lot of advice and suggestions to the announcers.

Mr. BUSHNELL: I think it might be a good idea to send that to every member of parliament.

The CHAIRMAN: I do not think there is much hope in that, but I think you should send it to us.

Mr. BUSHNELL: I think that same handbook has been filed on at least three occasions in the past but I doubt if you will find many of them in your rooms now.

Mr. RICHARD: You could file it with the speaker for the use of the members of the commons.

Mr. FLEMING: I do not remember their having ever been referred to before. Mr. Dunton, does the C.B.C. put on any of these crime broadcasts?

The WITNESS: We have two or three on our networks, which we would like to call detective stories, and which are put on mostly fairly late in the evening.

Mr. GAUTHIER (*Portneuf*): The fat man.

Dr. FRIGON: We have Sherlock Holmes on the French network, a sustaining program.

The WITNESS: We try to discourage them. We watch the ones we do take. We are not anxious to increase the number, and the number of regular programs depicting crimes is very small on our network compared to the American networks.

By Mr. Fleming:

Q. Do you make any attempt to discourage that kind of program on the non-C.B.C. stations over which you have some control.—A. We have, but there

is no regulation about it. We have discussed it with the stations at meetings and that sort of thing and I think they are aware of it to some extent. On the other hand quite a number of stations continue to carry quite a number of them.

Q. I do not suggest for a minute that the C.B.C. has broadcast all the programs that I am speaking of now. I hope the C.B.C. will discourage the crime program both on its own stations and on those they have control over. I think most of those programs are definitely harmful. I am speaking from experience, that these crime programs fascinate children, and I think that very few of them have any beneficial influence and a good many of them have to my way of thinking had a very harmful effect.

The WITNESS: We have definitely discouraged the use of them on our own networks.

Mr. BUSHNELL: May I add a word there? You will not find any of that kind of program designed for children on the C.B.C.

Mr. FLEMING: I am not thinking of those designed for children, I am referring to adult programs and those who listen to them, and my thinking was that it might be all right if they were put on at hours when children are not listening to the radio.

Mr. BUSHNELL: There is a lot in what you say.

Mr. FLEMING: Now, Mr. Chairman, I have one or two questions on the subject of commentators. How does the C.B.C. select its news commentators for domestic programs and as well for broadcasting from abroad?

The WITNESS: I could outline our general policy. We believe it is a part of our job to present interpretations of national and international events on the air, and that it should be done to a considerable extent by trained observers, writers and commentators; and, naturally, in the interpretation their opinions will be reflected to a certain extent if the commentary is going to have any real worth. Also there is this, that we take care to have not just one commentator, but rather to have a variety of commentators with different backgrounds and viewpoints so that you don't get just one viewpoint of interpretation coming over the air. That is the general principle. In selection we simply go by the estimate of our people as to the quality and ability of the observers, their ability to interpret and to broadcast; and then to try to ensure that there is a fair balance among the different types of viewpoints on the air.

Mr. FLEMING: Who is responsible for trying to see that the balance is maintained, who in the C.B.C. organization?

The WITNESS: Most of the commentators come under the department of talks and public affairs, under the whole department, which is responsible either to the general supervisor and the director general of the program department and to other officials, and finally to the board as a whole and myself. I try to keep an eye on the field to some extent.

Mr. FLEMING: I would like to understand the extent to which the board enters into this phase of it because I am going to ask you for an expression of your opinion. I do not make this observation as being my own personal opinion alone but there is quite a variety of comment reflected. I can follow you in what you say as to the functions of a C.B.C. news commentator. I think as long as you have a news commentator working you are bound to find the expression of a certain amount of personal opinion on his part, but it seems to me that generally the leftist point of view is reflected to a greatly disproportionate degree. I think that applies to your selection of commentators; and that, I am sure, is not a new suggestion to you; you must have heard that from quite a few different sources, whether you agreed with it or not.

The WITNESS: I have heard it very often, but I have not seen any evidence supporting it yet.

Mr. MURRAY: Would you say that Mr. Wilson Woodside was a leftist?

The WITNESS: No, I would not say so.

Mr. FLEMING: He is not a regular C.B.C. news commentator.

The WITNESS: He is on very often.

Mr. FLEMING: On certain selected programs, but not as a regular commentator.

Mr. BUSHNELL: I think Mr. Woodside appeared more often than any other commentator on the air.

Mr. FLEMING: If you will permit me, I would like to say with respect to Wilson Woodside that he is right down the centre.

The WITNESS: There may be all sorts of opinion about this. I do not think it is fair to charge the C.B.C. with a leftist balance in commentators without suggesting where that balance lies and why.

Mr. FLEMING: All right, I will do that.

The CHAIRMAN: All right, you have to get centre before you get either left or right, and which one of us, for instance, is able to say where the centre spot is.

Mr. FLEMING: Mr. Chairman, I quite agree that we are now in the realm where opinion is bound to affect our appreciation of the situation. I have expressed mine and I have heard the same view from many; but let me ask you about the commentaries from abroad now. Have you your score on these commentators working overseas?

The WITNESS: I think I can get that.

Mr. FLEMING: Have you got that handy, or would you like to come back to it?

The WITNESS: Perhaps we can come back to it later on.

The CHAIRMAN: Have you another question in the meantime?

Mr. MURRAY: What do you mean by the score?

Mr. FLEMING: The number of broadcasts.

The CHAIRMAN: Yes, that is it.

Mr. MURRAY: Made by Matthew Halton, for instance.

The WITNESS: Yes, he is on the air often, he is on retainer.

Mr. MURRAY: And he speaks from England?

The WITNESS: He has been on a retainer for years.

Mr. MURRAY: And the same applies to King Gordon?

The WITNESS: Yes.

Mr. MURRAY: They are both very able men. I have heard it said that he was a leftist, but he was speaking at that time from the heart of England when the election campaign was on and tension seemed to be running rather high.

Mr. FLEMING: I think this. Canada heard Mr. Halton frequently during the election campaign in the old country. He strongly showed his pro-Labour government sympathies, but if you are going to have a news commentator let us agree that you are going to have an expression of his opinion; however, I wanted to see if in respect to the news commentators working for you from England you had that degree of balance which you felt was desirable. That is why I have been asking for the score on Matthew Halton. What I am interested in with regard to the record is to see if from England you maintained that balance which you claim is your objective.

The WITNESS: I think we can put that in tonight for you.

By Mr. Fleming:

Q. In this matter of selection would you take into account newspaper comments on broadcasters whom the board has selected as commentators?—A. Do you mean the editorial comment on them?

Q. Yes.—A. I suppose that in the course of their work the officials of the C.B.C. generally see the comment that comes in, together with any other comments they get.

Q. I mean this: who is responsible for the selection of commentators, or who considers matters of that kind.—A. Yes, but I do not think they would be guided solely by the comment of any one particular newspaper.

Q. No no, I am not saying what they would be guided solely thereby; you indicated that they would at least have had comments of that kind; what other sources of information do they go to in making their selections for commentators?—A. I think it would be a cause for concern if there were not divisions of opinion. Our officials are constantly trying to get from all possible sources estimates of differences of opinion throughout the country by reading newspapers, by following debates in the House of Commons, and by asking many organizations, including organizations interested in discussion, and that sort of thing; organizations interested in various economic activities and others following particular interests; and out of that they try to get a feeling of what is fair and what is not fair.

Q. But is it the result of the decision of a very few people, Mr. Dunton?—A. I think it can't be expressed, other than to say it is the corporation as a whole; and like any body it has to work through a sort of hierarchy lower down, people responsible to people higher up, and those again responsible to people higher up still. Our people are not able to make, or at any rate have no means to make definite decisions on commentators according to accounting columns of opinions. But they try to find out what the feelings roughly are in the country, and they are particularly interested and concerned in carrying out their duties with impartiality and balance.

Q. You indicated that you yourself took some interest in this?—A. Yes.

Q. And that you personally followed these commentators closely.—A. Not as closely as I would like to, but at the same time I try to keep in touch with the general situation, with what is being said and with some of the comments in a general way, and generally to form some sort of an opinion as what may be considered fair balance.

Q. There must be some appreciation of balance in your own mind which enables you to sort out these various commentators into various categories.—A. Not too definitely. That is a very hard thing to do. It would be completely unfair to the commentator. It would help us, as I say, if we could say that such and such a person was right and that such and such a newspaper was always right in whatever expression they made; but that is not so, that is why it is a difficult subject to argue precisely about, because it is a matter of estimate. We try to estimate as fairly as possible. Impartiality and fairness are constantly in our minds.

Mr. HANSELL: As long as the name of King Gordon has been mentioned I would like to say this: Now it is true, is it not, that King Gordon left McGill University mainly because of the reason that he was considered to be an extremist?

Mr. STEWART: I object to that.

Mr. BUSHNELL: And I object to it too, I think that is an unfair statement to make.

The CHAIRMAN: There are a number of people, Mr. Hansell, who are not of the same political persuasion as Mr. Gordon apparently was at the time. There are a lot of people who think that he was rather badly used on that occasion.

I am not expressing any personal opinion about it. I knew King Gordon. I saw him grow up. He lived right close to me. I knew his father very well. So I think I knew him pretty well, and you see I am not expressing a personal opinion, but at the time of his leaving McGill University there were a large number of people who were not of his political persuasion who felt that he was rather badly used. You recall some incident of the past and it brings to mind perhaps a certain impression, but there are many of us today who have the feeling that at that time he was, to say the least, rather badly used.

Mr. MURRAY: I will give you two names, Matthew Halton and King Gordon.

The WITNESS: May I say something else about King Gordon: We hired him knowing his past after checking with various authorities. He was taken on by us on retainer for the international service, and as a matter of economy he did some other work for the national service. As perhaps most of you know, he went to the United Nations where he was considered to be perhaps the best single correspondent at Lake Success. We have been told by a number of people that he is extremely highly regarded at the United Nations for the fairness and the accuracy of his reports. I know this, that the Canadian delegation there thought extremely highly of his ability and fairness in reporting events which happened there. I think Gordon and the C.B.C. should be judged entirely by what Gordon said on the network and by his work from New York. He has now been hired away from us at a much higher salary by the United Nations for whom he is now working.

The CHAIRMAN: I would like to add to that that I was entirely satisfied with respect to the factual reporting done at the United Nations by him, and I heard other people comment about it, quite aside from the Canadian delegation. Now, whatever King Gordon's personal opinion may be he did not colour his reports with his opinions. He may very well have held opinions with which many would not agree, but he did not broadcast those opinions.

Mr. HANSELL: I am not criticizing him for that at all.

The CHAIRMAN: I know you are not.

Mr. HANSELL: I am merely stating as a fact that I have heard a great number of criticisms of him and of the opinions he holds. A man in his position is bound to have opinions, and if one has opinions they are bound to come out in the open in work of the kind he is doing.

The CHAIRMAN: Yes, but what Mr. Fleming was talking about was not merely what a man's opinions are but would those opinions go into his broadcasts; and it might be because that name was mentioned that one might conclude that such a description was applicable to him, you see. I thought Mr. Fleming implied that not merely was a commentator a leftist or a rightist, whichever term you happen to be using, but that it did go into his work, do you see; and, would there be any point in mentioning it, unless you were referring to its impact on his work.

The WITNESS: Mr. Fleming referred to newspaper comment on commentators. I remember two or three months ago an article on Mr. Gordon in the *Ottawa Journal*—an extremely long and warm article in appreciation of the work he was doing.

Mr. FLEMING: In your reference to Mr. Gordon's broadcasts I did not understand that his broadcasts from the League of Nations would classify him as a news commentator.

The WITNESS: Yes, he would be called a news commentator.

Mr. FLEMING: A commentator?

Mr. BUSHNELL: We would certainly put him in that category.

Mr. FLEMING: A news commentator?

Mr. BUSHNELL: Yes, definitely.

The WITNESS: We do not seem to be able to get that material for you tonight, we may be able to have it for you in the morning.

Mr. FLEMING: Then I do not want to detain the committee on it now. May I ask you this? Just a few minutes ago you were speaking about trying to keep a balance; does that apply to all areas or are you speaking about the United Kingdom, for instance?

The WITNESS: Yes.

Mr. FLEMING: In making your assessments do you try to get an over-all balance for the country as a whole or do you confine your objective to trying to achieve a balance in each of the areas from which your commentators are broadcasting, for example in the United Kingdom.

The WITNESS: We try to have a fair balance in our broadcasting from the United Kingdom.

Mr. FLEMING: I won't pursue that any further at the moment.

Mr. STEWART: I would like to pursue it a little further. Here is a charge being made against the commentators of the C.B.C., it just can't be dropped. We have had the names of Matthew Halton and King Gordon, both being accused of being leftists and of having their opinions cover their activities as commentators. I am not complaining about that. As a matter of fact, I think the balance is rather in their favour. That is my opinion.

The CHAIRMAN: I think perhaps we should limit the range of the information for which you asked, Mr. Fleming.

Mr. FLEMING: If it is convenient for them perhaps they could let us have that information in the morning—a list of the times these commentators were on the air. Have you got it?

The WITNESS: No, we haven't got that.

Mr. MURRAY: Do you have much difficulty in selecting commentators?

The WITNESS: It is difficult to get good broadcasters.

Mr. MURRAY: He must have a good voice?

The WITNESS: Yes, and also we want a man who has a knowledge of the subject about which he speaks, he must have something worth while saying and he must be able to say it, and more important still, he must also be an interesting broadcaster.

Mr. MURRAY: That would be a very difficult kind of man to find. Do you have many applications for the position?

The WITNESS: We have a lot who express interest in the subject.

Mr. FLEMING: Do you make it a policy of trying to change them from time to time, or is it fair to say that you have considerable continuity in your broadcasts?

The WITNESS: Both, we try to get continuity and also changes. For instance, we have had a series of commentators on the review of international affairs; that is a Sunday evening program. That follows a regular pattern. There are three men on that this minute: J. B. McGeachy of the *Globe and Mail*, George Ferguson of the *Montreal Star* and Professor Kierstead of McGill University. Those followed each other in the series. Lately it has been the thought that we should try to get some new voices for that feature.

Mr. STEWART: What about that Sunday afternoon program you have?

The WITNESS: It has also been a regular pattern. For instance, there is Ann Francis—Mrs. John Bird—Hugh Boyd of the *Winnipeg Free Press*, Robert McKeown of the *Montreal Standard*, and Warren Baldwin of the *Globe and Mail*; those four were on regularly during the winter.

Mr. FLEMING: I wonder when you are getting that information if you could give us an indication of the number of times those people have been on during the last two years.

The CHAIRMAN: Did you say in the last two or three years?

Mr. FLEMING: Yes, the last two or three years.

The CHAIRMAN: That is rather a long period to cover.

Mr. FLEMING: And could you go a step further and indicate the number of broadcasts made by each of these men. I think you had a list one time before on that.

The CHAIRMAN: Just a minute now, before pursuing that. I do not think on this examination we ought to cover much ground beyond the past year. I suggest that you be reasonable, Mr. Fleming.

Mr. FLEMING: I am trying to be reasonable, Mr. Chairman. I am trying to get some idea of the amount of time which would be involved. I do not want it if it is going to take a great deal of work.

The CHAIRMAN: I realize your tendency in trying to be reasonable, but just at the moment I do not think you are succeeding.

Mr. FLEMING: I am always open to persuasion, Mr. Chairman.

The WITNESS: We will have to go through a lot of material to get that for you. Would it be sufficient if we were to give you that information for the past season, 1949/50? Would that be enough for a sample?

The CHAIRMAN: I think that should be a fair sample.

Mr. FLEMING: How much would that cover?

The WITNESS: Most of those reports start with September of last year, up to May of this year.

Mr. FLEMING: Are these commentators signed up with you for the season?

Mr. BUSHNELL: No, they can be hired and fired at will.

Mr. FLEMING: But you mentioned about Mr. Halton being on a retainer, for what period?

Mr. BUSHNELL: He started in the year 1943.

The WITNESS: May I also add this, that his first activities with us was as a war commentator, and that arose out of his service as a war correspondent; and after the war we kept him on the other side because we wanted at least one permanent person available to the C.B.C. as a reporter, and we have kept him there so far both as a reporter and as a commentator, as a matter of economy. He is always available to us in those capacities over there, and he also has the right to engage in other writing, to do extra writing and so on from time to time.

The CHAIRMAN: Gentlemen, just before we adjourn, would somebody move this motion:

That the committee ask permission to sit in the City of Montreal for one day, namely, Monday, June 5th, and that the clerk of the committee accompany the committee?

Mr. STEWART: I would so move, Mr. Chairman.

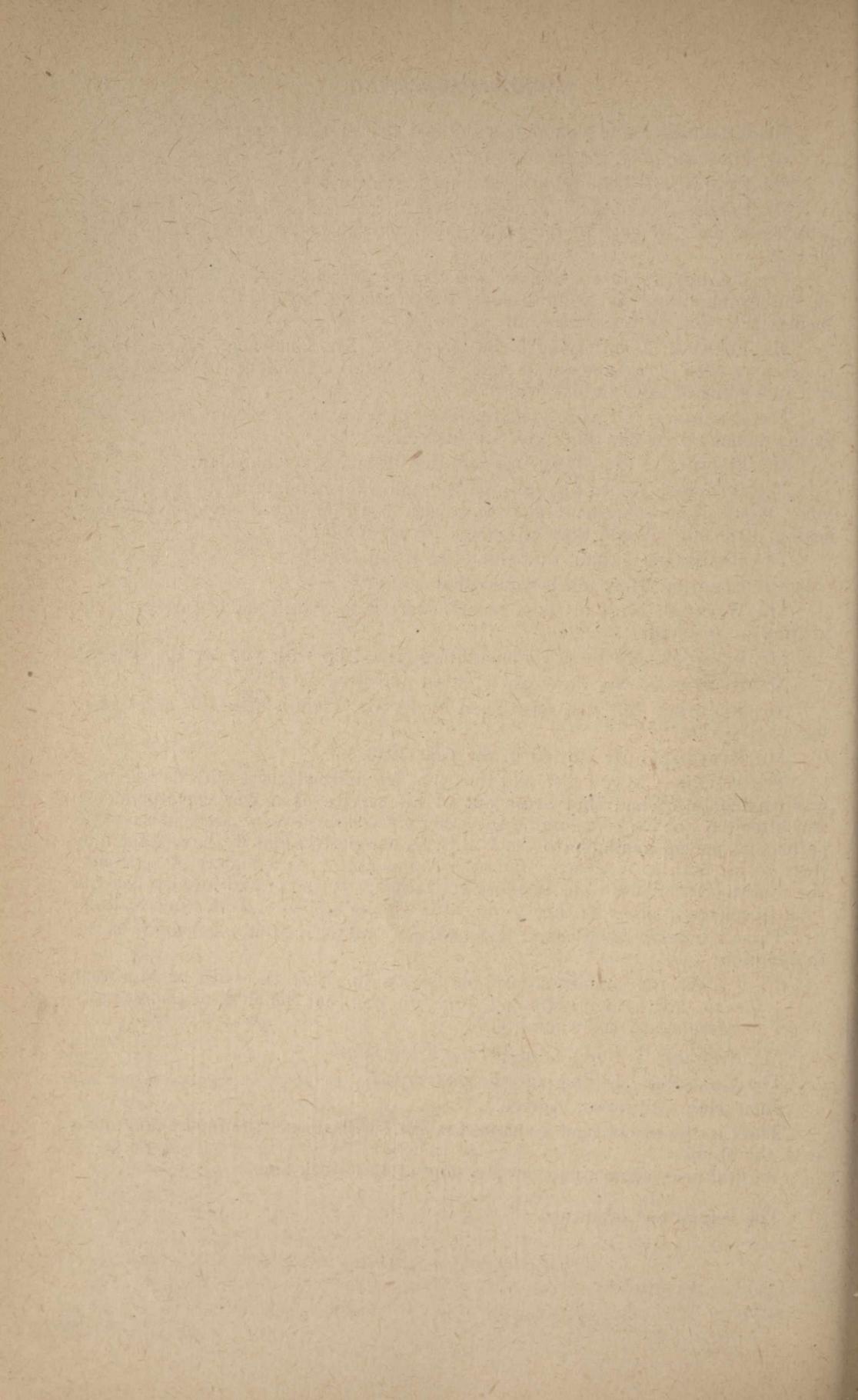
The CHAIRMAN: Is that agreed, gentlemen?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: If I get a chance tonight I will present the report and move it in the House.

We will meet again tomorrow morning at 10 o'clock a.m.

The committee adjourned.



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SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

FRIDAY, JUNE 2, 1950

WITNESS

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

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

SPECIAL COMMITTEE

on

FRIDAY, JUNE 2, 1950

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspé*), Esq.

Messrs.

Balcer	Gauthier (<i>Sudbury</i>)	Robinson
Boisvert	Hansell	Riley
Côté (<i>St. Jean-Iberville- Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary West</i>)
Diefenbaker	Kirk (<i>Antigonish-Guys- borough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE

CORRIGENDA

Evidence No. 3 of Friday, May 26, 1950

(By Mr. Fleming)

Page 81, line thereof. The question "Do you want to answer" should read "*Do you wish to enlarge your answer?*"

Page 82, line 40 thereof. The questions should be attributed to Mr. Fleming.

Page 85, second line from bottom. C.K.Y should read "*CKEY*".

Page 86, line 25 thereof. The words "field of vision" should read "*field of television*".

MINUTES OF PROCEEDINGS

FRIDAY, June 2, 1950

The Special Committee on Radio Broadcasting met at 10 o'clock a.m. Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Boisvert, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Maybank, Murray (*Cariboo*), Smith (*Moose Mountain*), Smith (*Calgary West*), Stewart (*Winnipeg North*), (13)

In attendance: Messrs. A. D. Dunton, Augustin Frigon, E. L. Bushnell, A. Ouimet, H. Bramah, René Landry, G. Young, H. Palmer, G. W. Richardson, S. Schnobb, and R. Santo of the *Canadian Broadcasting Corporation*.

Mr. W. A. Caton of the *Department of Transport*.

The Committee decided to suspend the proceedings at eleven o'clock for the opening of the House and to resume after Orders of the Day have been proceeded with.

Mr. Dunton was called and further questioned on programming, news, regulations and financial operations, etc. He was assisted by Messrs. Frigon and Bramah.

Mr. Fleming asked that corrections be made in No. 3 of the printed evidence (*See corrigenda in today's minutes*).

With respect to the printing of certain documents previously tabled, distributed and identified at the afternoon meeting of Thursday, June 1, it was agreed, at the request of Mr. Fleming, to incorporate them in the record.

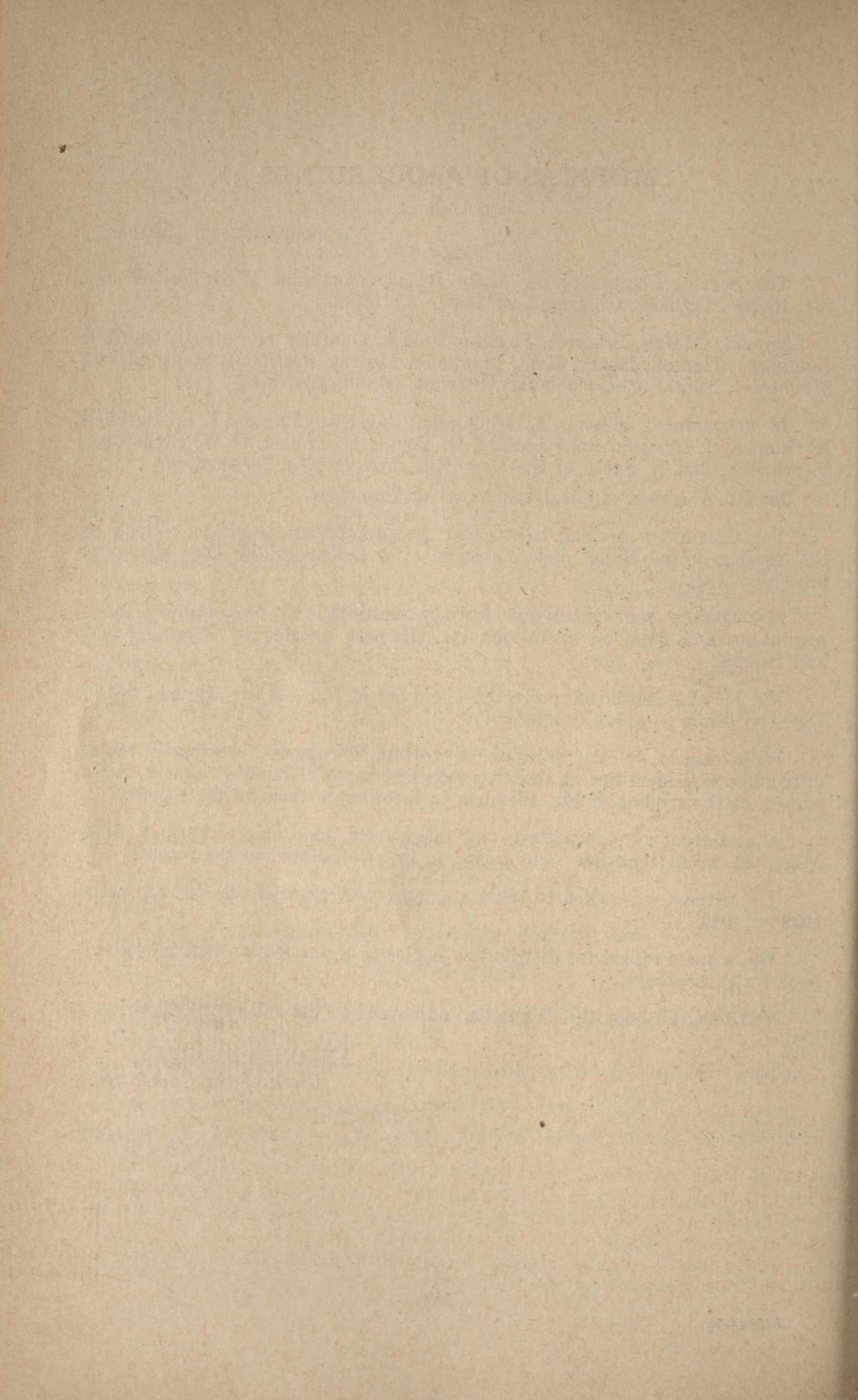
A statement of expenditures by department and object April 1, 1949-March 31, 1950 (tentative) was tabled to be incorporated in the record.

The witness was asked to table a summary of expenditures for the period 1939 to 1949.

The witness tabled for distribution copies of a publication entitled "Handbook for Announcers".

At 12 o'clock noon the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.



EVIDENCE

HOUSE OF COMMONS,

FRIDAY, June 2, 1950.

The Special Committee on Radio Broadcasting met at 10 a.m. The Chairman, Mr. Ralph Maybank, presided.

The CHAIRMAN: I see a quorum, gentlemen.

At 11 o'clock when the bell rings I presume we will have to adjourn during orders of the day.

Mr. FLEMING: Do we have to do that?

The CHAIRMAN: No, we don't have to, but one of us has to go down because the motion permitting us to go to Montreal has to be made. If it is the will of the committee to sit straight through at 11 o'clock there is nothing to prevent that from being done. We have to decide now whether we will rise at 11 o'clock or continue.

Mr. GAUTHIER (*Sudbury*): I think we should rise and reconvene on Tuesday or Wednesday.

Mr. FLEMING: Let us rise with the second bell.

The CHAIRMAN: All right, we shall do that, rise at that time and go down, returning immediately after orders of the day.

In connection with the trip to Montreal which the committee is to make on Monday next, June 5, we will be glad to have representatives of the press accompany the committee and I will ask Mr. Plouffe to let Dr. Frigon know by wire at Montreal how many will be in the party.

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

The CHAIRMAN: Now, gentlemen, Mr. Dunton is filing with the committee a statement of expenditures by department and object from the first of April, 1949 to the 31st of March, 1950. This is a tentative statement. That will appear in our records for today and in the meantime copies will be passed around to you.

There will also be passed around the handbook referred to yesterday called "Handbook for Announcers." This is to improve the English of members of the committee and the official reporters no doubt would like to have one also.

We spoke yesterday about whether or not the material being filed would be printed as an appendix and we did not come to any decision, and the remarks made yesterday will apply to this material today. We did not decide against it, you will remember, and we did not decide in favour. Last evening I think we had about completed the subject of programming. Is that right?

Mr. FLEMING: I would like to ask one question. I am not sure whether it falls within the field of programming or not. Mr. Dunton spoke very briefly about news services in his opening statements a week or so ago. I wonder if he would now or at some other time enlarge upon that statement.

The CHAIRMAN: Would you like that done now?

Mr. FLEMING: Not necessarily.

The WITNESS: I think my reference to it was showing the increase in costs over a period of years. Very briefly, our news set-up is that we have a news department with newsrooms in each of the main regional centres as well as newsrooms in Montreal and Toronto. Into those newsrooms comes the supply of news which we buy from the main news agencies and our bulletins are built up from the news supplied by the agencies and edited for broadcast by our editors. That is an outline of our system. I think my only reference to it was that some years ago it was supplied free but now we have to pay a lot of money for it.

By Mr. Fleming:

Q. You spoke about agencies, which ones do you use?—A. The Canadian Press, British United Press; also through our connections we get Reuters, Associated Press, and we are now starting to get the French service, Agence France Presse de Montreal.

Q. How long ago did you change to this present system?—A. Very shortly after the Corporation was set up.

Q. There has been no change in the last four years?—A. No, except for the money we have to pay.

Q. You pay more in fees to those who provide the service?—A. Yes.

Q. And have you had to increase your staff; has there been much change in your set-up?—A. No, I don't think so, nothing noticeable in the last few years.

Q. And that work used to be pretty well centralized at Montreal and Toronto and now it is more widely decentralized?—A. Our main centres are Montreal and Toronto and now we have regional newsrooms in points like Vancouver, Winnipeg; and very small newsrooms at points like Halifax and St. John's, Newfoundland.

Q. In these places are they handling simply local news as well as the national and foreign news, which I presume is handled largely from Montreal and Toronto?—A. No. I might explain; time zoning has to be considered. We have only one news bulletin that is carried right across the country, that is the national news bulletin which you hear on the air in the evening at 10 o'clock eastern daylight time. That is the only one which is carried right straight across the country. It comes to you at about 7 o'clock Vancouver time and 11 o'clock Maritime time. That is the only one which we can put on right across the country. Among the other bulletins are the morning bulletin at 8 o'clock, and the usual noon bulletin around 1 o'clock and the evening bulletin around 6.15. These had to be put on on a regional basis so that they could be heard at 6.15 local time and so on any place. These bulletins include a good deal of general national and international news and also naturally include more regional news. These regional newsrooms have to have men to deal with that.

Q. That is at the local points?—A. At the local points, yes.

Q. Just one more question; what is the staff of the C.B.C. dealing with news services?—A. I think it is around thirty or forty. I think it is a very small and economical type of operation; in fact, it is at such a stage that if one man goes on holidays tricks still have to be maintained and so they have to arrange for another man to come in and take over. The thing is so closely figured out. In Montreal, of course, we have both French and English.

By Mr. Hansell:

Q. Have you any idea as to the total cost of the news department for one year, including lines, staff and everything? I do not think we have it in this

material you placed before us this morning.—A. I think you will find most of it there.

Q. That is a news service, but that is not what I wanted entirely; does that include everything?—A. Yes, that includes the cost of supplying the news delivered to our newsrooms, it includes the cost of teletype and wire services into the newsrooms and the cost of the agency service supplying our various newsrooms across the country.

Q. Staff salaries and everything are included in that?—A. Right.

Q. Would that include the whole cost of the news service to the C.B.C.?—A. You mean you want the cost of the news services and the salaries of all our own staff working on it?

Q. Yes, I want to know what the total cost to you for this news service is.—

A. And do you want to include in that the announcer who gives the news?

Q. Yes.—A. That would take some figuring, that would be a very hard breakdown to get.

Q. I don't want a breakdown, I just want to know the approximate total cost.—A. Well I can give you an approximation of that. It would be just a rough guess. It would be about \$250,000.

By Mr. Murray:

Q. Do you think you could expand your news services to the farm community possibly?—A. We do a good deal of that kind of broadcasting now immediately after our general news bulletins.

Q. Yes, but I refer more particularly to market news and things of that kind.—A. We have a good deal of that; for instance, especially market news coming on in each of these regions after these news casts in the early evening, and then in addition there is our farm broadcast at noon each day which carries a lot of farm marketing information and it also covers agricultural activities.

Q. Does it include news about farm exhibitions and so on?—A. Yes, and different types of agricultural activity.

Q. If I might make a suggestion, I think the news on the markets could be a little more definite, the announcer could be a little more definite. Take the market at Edmonton, let us say, when it comes to lambs he will say that they are one-half cent higher; or beef closed two cents up.

Mr. HANSELL: That would be made by local news announcers.

By Mr. Murray:

Q. It is the case right across Canada, and the difficulty is that in most cases the farmer does not know the price at which the article closed yesterday—let us say it is lambs.—A. I hadn't noticed that, I thought that was the usual common practice.

Q. I think it is unfortunate, because unless you know what the price was, the base price, yesterday, then you do not know how to apply these market fluctuations. I wonder if you would bring that to the attention of your announcer at Edmonton?—A. We shall draw that to the attention of our people in Edmonton.

Q. It applies also in Ontario. I have heard your announcements here as well. I think these market quotations are of vital interest.

The CHAIRMAN: I would suggest that they come in exactly that wording from the service which gives the news and that the error of omission lies farther back than the news room of the broadcasting station.

Mr. MURRAY: I think it is common practice in the newspaper office because if you look at yesterday's papers you will see what the price was and you can trace it back.

The CHAIRMAN: I have seen those sheets and they remark, as you say: hogs closed half a cent higher, or took a drop. Sometimes they will say they

are half a cent higher than such and such a price, and sometimes they will not. But it is right in the printed sheet and the man in the C.B.C., to be more definite would either have to look up the market prices himself and to re-write the news as he received it, or he would have to persuade his supplier of news to be more definite.

Mr. MURRAY: I think it has repercussions right here in the House. For example, when the quotation on coarse grain is given, let us say, at Fort William, then the shipper at Dawson Creek knows what the market is. I think the practice emanates from the stock market and elsewhere in an effort to be very brief.

Mr. HANSELL: Is it not a matter of continuity of listening?

Mr. MURRAY: No, because the listener may continue for a definite period of time dealing with plus and minus signs.

Mr. HANSELL: The person listening every day would know what the rate was the day before.

Mr. MURRAY: The dealer in the town would know because it is his business to buy and sell these commodities. But the man out on the combine would be out of touch with the situation.

The CHAIRMAN: You might get a better service by drawing this matter to the attention of the people who supply you.

The WITNESS: Yes, we shall. I did not realize it was being given in that form at any place.

Dr. FRIGON: The source of information is whatever official bureau there is in the vicinity. For example, in Quebec when we give market quotations, we say they are supplied from such provincial authority. That is the only source of information we have.

Mr. MURRAY: There is no doubt as to that.

Dr. FRIGON: We do not send people into the markets to watch the prices and then come back to say what they have found. We simply use quotations which are given by official bureaux.

By Mr. Hansell:

Q. Are there any particular times when the market quotations come over the air? I know in one district they pay much attention to them, and they try to put them over the air at some time between 12 and 1 o'clock when farmers even are accustomed to be in the house at lunch; and the farmers make it a practice to get in in time for that broadcast.—A. Our farm broadcast all across the country is arranged in different time zones to fall between 12:30 and 1 o'clock when the farmers are in the house for lunch; and in addition most regions have a closing market summary after the early evening news.

By Mr. Murray:

Q. I think the corporation could afford to pay a great deal more attention to the farm broadcast. It is very good up to a point, but I think you would assist people by putting the very best brains you have in charge of your agricultural section. We are dealing with matters of climate and weather changes. We have had a flood in the Red river valley. There are men who have splendid ideas to give out to those flood sufferers as to what crops and so forth might still be planted this year.—A. Do you listen to our farm broadcasts?

Q. Yes, I do.—A. We have a pretty high opinion of our farm department.

Q. I think it is better than anything of the kind in the United States.—A. Thank you for that.

Q. I am here with a rather wide view of it. I listened to it in the Peace River country as well as in lower British Columbia, and I have been listening

to it here in Ontario. But I still think there is a great deal that has not been fully exploited by the corporation in the way of service to the agricultural people of this country.—A. We would be very glad of suggestions. Our people are constantly in touch with farm organizations. They travel around the country to meet farmers themselves. They are always getting new ideas. I think the farm section of the C.B.C. is very much on its toes. We are glad to get ideas about improvements. The program has received a lot of praise from people outside as well as inside Canada.

Q. People in the more remote places depend on the radio to a greater extent than upon any other medium of information.—A. We know that, and a lot of effort and a lot of money goes into our work there.

Q. The question of markets has to do with the whole economy of the country. If the farmer knows what the price of calves is that morning at a central point, that is the price he is going to get, and the speculator will get a rough ride.—A. We sometimes get a lot of complaints about the fact that the late market summary comes on after the news in the evening. On the other hand, many farmers find it useful to have a late summary.

Q. A lot of city people eat a considerable amount of pork chops, beef, and potatoes. Moreover, they eat a little flour and it is of vital interest to them to know what the grower gets for his products. I think it is a matter of spreading the truth, and when the truth is widely disseminated, the people will get on a little better.

Mr. BUSHNELL: We have given serious consideration to dropping those bulletins at 6:25 because as far as we are concerned in the urban centres they are audience killers; the city people simply will not listen.

Mr. MURRAY: I do not know about the time, but I think the bulletins are vitally necessary in the interests of the good economy of this country.

Dr. FRIGON: People on our staff at Halifax have told me that they used to be able to go down the coast and to buy lobsters cheap. But now they cannot do so because the fishermen listen to the fish broadcast and say: "No. Not 25 cents, \$1.50."

By Mr. Murray:

Q. That is all right. That makes a market.—A. We have special service for fishermen in the Maritime areas similar to the farm service. They are developing.

Q. You know, there is a great community of people in this country who exact a very good living from the farmers because the latter do not know what the market is. That is to say, where the farmers are out of touch with the trade, a smart man can drive up with his truck, give them a song and dance, buy their hogs and away he goes, having made enough that day to carry him along for many days. Then the farmers join the C.C.F. and start to protest against conditions in the government.

The CHAIRMAN: I think Mr. Fleming has some questions with respect to private stations, wave lengths and so forth.

By Mr. Fleming:

Q. I wonder if Mr. Dunton would say a word or two about any leading changes made in the regulations affecting other stations since we last met in 1947? I wonder if he would indicate how the Board of Governors regards the new three year licences of wave lengths, and how they are working out? That was one of our recommendations in the committee's last report. The Board of Governors, I think, did change the regulations following that report. How are they working out?—A. This is covered in the brief summary at the beginning of this material which is entitled "Licensing and Regulations".

Q. Could this material not go on the record?—A. The first page and a half summarizes it.

By The Chairman:

Q. You recommend that the first page and a half of this material be printed? Does it covers the subject pretty well?—A. It is a summary, yes.

The CHAIRMAN: Is it agreed that we have this page and a half printed in the record at this point? Agreed.

CANADIAN BROADCASTING CORPORATION

LICENSING AND REGULATIONS

In its Third and Final Report the 1947 Special Committee on Radio Broadcasting recommended that "the Board of Governors hold public sessions when hearing representations on matters of licences or regulations. . . . your Committee also believes that after hearing such representations the Board of Governors should give statements of its decisions or recommendations, including reasons for them."

At its first meeting following the publication of this Report, the Board of Governors held its first public session. The attached Public Announcements numbered 1 to 38 and covering the period September 17, 1947 to May 25, 1950, indicate the various licensing and regulatory matters considered by the Board.

The 1947 Committee also made the following statement in connection with licensing:

Your Committee believes that there is much to be said in favour of a longer license period and believes that it would be better to grant licences for, say, up to 3 years. Your committee also believes that renewals of licences after such a period should be made to depend among other things upon the character of the service given by the licensee; that at the end of the license period and before a licence is renewed the Department of Transport and the Canadian Broadcasting Corporation should examine most carefully, and certainly more carefully than hitherto, the manner in which the licensed broadcaster has been serving the public over the air channel which had been granted him to use. It should be understood that the committee is not recommending, in case a greater security of tenure is given, that such longer license period would in any way prevent the revocation of a license for cause.

This recommendation was implemented by the Licensing Authority and at its meeting on March 22, 1948, the Board of Governors recommended to the Minister that licences for all broadcasting stations, auxiliary transmitters and public commercial licences should be renewed or issued as of April 1, 1948. In making this recommendation, the Board noted that it had reviewed reports on the programming of private stations and had noted some apparent improvements in the programming patterns of a number of stations. The Board stated that it would continue to keep program patterns of private stations under study and would ask for further information from some stations in connection with their recent reports. (See Public Announcement No. 12, March 22, 1948.) During the first two years of the three year licensing period beginning April 1, 1948, the Board of Governors made a careful review of reports of performance from privately-owned stations in Canada submitted prior to March 1949 and March 1950.

From its first public session held in September 1947, the Board has recommended the granting of 32 applications for new broadcasting stations. In the

same period it has also recommended the granting of 18 applications for power increases of private stations.

Since September 1947 the Board has received the following requests from the Canadian Association of Broadcasters in regard to changes in Regulations:

Price Mention (Reg. 10 (b)). See Public Announcement No. 16, at page 8, May 20, 1948.

Sponsored Newscasts (Reg. 13 (2)). See Public Announcement No. 20 at page 6, September 27, 1948.

Spot Announcements (Reg. 11 (2)). See Public Announcement No. 28, at page 7, August 2, 1949.

Food and Drug Advertising (Reg. 12). See Public Announcement No. 28 at pages 7 and 8, August 2, 1949.

The Board also heard representations in public session both in favour of and in opposition to a restriction on the broadcasting of bingo games. For its decision on this matter see Public Announcement No. 36, at page 4, March 27, 1950.

The WITNESS: The board itself recommended that the license period be extended to three years. I do not think we have any particular comments to make on how it is working. I do not think it has had any great effect one way or another. I think the private stations are more pleased to have a three year license. We did say that at the end of the three year period we would try to do a more thorough review than previously of the activities of the private stations, and would try to continue our study of their programming activities.

When the first big batch of licenses comes up—I think it will be next spring—we shall try to do a better study of their activities than we previously did each year. Also, in the summary it says that since 1947, when the last committee met, we recommended the granting of 32 applications for broadcasting stations; and 18 applications for increases in power by private stations. There have been only four chief actions regarding regulations on application or representations made by the Canadian Association of Broadcasters. One was regarding the price mentioning regulation. They asked that it be lifted. The board, after considering representations, and having received assurances that price mentioning would be used sparingly on the air by private stations, agreed to suspend the regulation to see how it would work. The regulation is still suspended and we are not at the present time considering reimposing it. The experience so far seems to be fairly satisfactory. It has not been abused to a great extent by most stations.

There was another request made regarding regulations effecting advertising announcements with news casts. They had formerly been restricted so that the last advertising message on a news cast had to be very short, just a matter of identification. That request was met by the Board of Governors, and news casts have been put on the same basis as other programs, but we still maintain the restriction against any commercial message in the middle of the news cast.

Q. Is it working satisfactorily?—A. I think so, although the Board has expressed concern about the general and continued increase in the amount and intensity of commercial messages and announcements on the air.

By Mr. Stewart:

Q. How many minutes do you allow, let us say, in a fifteen minute broadcast for such things?—A. We have a regulation, which is difficult to enforce, stipulating that 10 per cent is allowable to be devoted to the commercial content. But as I say it is difficult to enforce. The board would like to find some means

of keeping a check on the commercial content, some means which would be easily enforced. But as you can sense we have not found a solution to that problem thus far.

Q. Do you find that this 10 per cent is exceeded in many cases?—A. Yes. It is exceeded in some of the programs on our own network in the day time.

Q. But do you not have control?—A. Yes. But it happens particularly in relation to programs coming from the United States. Of course, we could simply refuse to accept those programs, but our financial position affects our judgment about that.

By Mr. Hansell:

Q. Have you any control over the content of the commercial part of the broadcast? I think that some of the commercial announcements are terrible.—A. We have the power to control them in these specific regulations. In practice, all food and drug matters have to be submitted to us, and we in turn submit them to the Department of National Health and Welfare for checking regarding the claims and statements made. At the same time we check them for what we call good taste, and we try to eliminate the more objectionable references to the digestive system and to the system of elimination, and that kind of thing.

By Mr. Murray:

O. How about the cigarette situation?—A. Cigarettes do not come under that particular method.

Q. But do you not carry a lot of cigarette advertising?—A. I do not think we do, Mr. Murray.

By Mr. Fleming:

Q. Mr. Dunton was giving us a list of the changes and he had come to the second one. I wonder if he might finish the list before we go any further into the subject of commercial announcements?—A. There is a regulation prohibiting spot announcements on any station between 7.30 and 11.00 in the evening. That is really the most effective regulation at the present time for placing some check on the amount of commercial messages on the air. C.A.B. asked that that regulation be lifted. The board considered it and decided to retain the regulation. We keep it to check against good listening time being cluttered up with commercial announcements.

By the Chairman:

Q. Has C. A. B. asked for the elimination of that more than once? Or did they just ask about it the one time?—A. I think they asked for it before, but they have only come forward once formally to our public hearings.

By Mr. Stewart:

Q. In one of your briefs I think it is stated that in some stations there are as many as 500 to 2,000 spot announcements per week. That seems to me to be an extraordinary number?—A. I think in fairness I should say that there would not be many up around 2,000; but there are quite a number running about 500.

By Mr. Gauthier (Sudbury):

Q. Does it not happen because they are paying propositions?—A. Well, spot announcements are a very lucrative form of business.

By the Chairman:

Q. I suppose they run between \$5 and \$10?—A. They vary, of course, according to the stations.

Mr. FLEMING: Anyone who has been through an election campaign will know what it would cost.

The CHAIRMAN: All prices were doubled during the last election for broadcasting.

Mr. STEWART: We were soaked.

By Mr. Fleming:

Q. There was one other; you had a fourth?—A. Yes, another request asked that the system I have described of reviewing food and drug advertising might be amended so that the copy did not come in advance to the C.B.C. but so that it went right to the Department of Health and Welfare. The board thought that the regulations should be maintained. It did not feel there was any great delay because of handling the system in the present manner, and it was felt that it should be maintained to provide an opportunity to check on what we call good taste—that is eliminating some of the more objectionable references.

Q. That completes the list?—A. There is one other. After hearing a number of representations pro and con on radio bingo, the board at a meeting in March, put in a regulation prohibiting the playing of games of chance over the air—games in which members or participants paid sums of money in connection with the game.

Q. Mr. Dunton, in connection with your three year licences, has the board settled a policy with regard to the tenure of licences for television?—A. No, we have not; of course it is a final decision of the licensing authority.

Q. I appreciate that, but I wondered whether you had settled a policy as to what advice you might be prepared to give?—A. No, we have not.

Q. I think we have this information but, I suppose the situation with respect to wavelengths is just about what it was before; those occupied by the C.B.C. are as they were several years after the three class 1-A wavelengths were taken over?—A. I do not think there has been any major change in the last three years. We are putting in a station in Windsor on a channel for 1-B station—the channel was formerly occupied by a station in the city of St. Catharines. Another channel has been recommended for them which I think is satisfactory and our station will go in in the next couple of months on that 1-B channel.

Q. That is the only change since you took over the three class 1-A channels?—A. Yes.

Q. I noticed a Canadian Press report date-lined September 13, 1949, referring to a meeting of delegates from five countries working toward a full revision of the Havana Agreements on crowded radio channels. The meeting was in Montreal. I understand that it was the third North American regional broadcasting conference. What was the outcome of that conference. Has any agreement been arrived at?—A. It has not come out yet. The delegates spent about three months working at it in the Windsor hotel last fall. There was particular lack of agreement between Cuba and the United States and the conference adjourned in December, partly to allow Cuba and the United States to negotiate bilaterally and with the hope that they would meet in the spring, but the meeting is put off again until August.

The CHAIRMAN: I thought they were meeting right now.

Mr. FLEMING: No, that is ICAO.

The WITNESS: There is another meeting on high frequency-short wave broadcasting being held in Florence. Our assistant general manager is there, together with several other officers. These conferences are a drain on our manpower as well as that of the Department of Transport.

Mr. FLEMING: Is there anything likely to come out of that conference which will affect wavelengths now allotted to the C.B.C., as well as those allotted to private stations in Canada?

The WITNESS: I do not think our people expect any major changes of an upsetting nature. We would hope that in perhaps one or two cases some improvements could be reached. I mentioned the not very satisfactory frequency for CBA in the maritimes. There might be something come out which would provide a better frequency.

Dr. FRIGON: As Mr. Dunton says, the problem is mostly between Cuba and the United States. Cuba wants more frequencies but the regulations as they now stand will not allow Cuba to use certain frequencies because they are too near to the United States. Everyone has a large appetite and wants more all the time. The meeting last fall adjourned, as Mr. Dunton has said, pending bilateral discussions which have not as yet produced results.

Mr. FLEMING: I take it that Canada is not particularly concerned with the problem between Cuba and the United States?

Dr. FRIGON: We are concerned in the sense that we must keep very careful watch not to lose anything. There would be some regulations regarding distances between stations on the same frequencies. The question is rather involved and all we can say is that we have not lost anything and we would not expect to lose anything. We may hope to get something better.

Mr. FLEMING: If it is a matter of international negotiation are you in a position, subject to that, to indicate what Canada might hope to get?

Dr. FRIGON: In shifting licences from one part of the continent to the other we may be able, as has been said, to get a better frequency for the maritimes and for some of the western stations. The thing is very vague at the present time and we do not know what will happen.

Mr. FLEMING: You do not expect any more class A station wavelengths?

Dr. FRIGON: No, no. The conference in Florence is for short wave. It is a continuation of the four and a half month meeting in Mexico City last year. They discussed the whole problem of short wave frequencies and they actually set tables on the frequencies to be used during a certain period of sun spots. Now they had to meet in Italy to design a new distribution for other conditions of sun spots. That meant opening up the whole question at Rapallo.

The WITNESS: There are difficult situations between the big eastern and the big western powers.

Dr. FRIGON: These conferences used to be strictly technical but now they are more political.

Mr. MURRAY: Does Russia engage in these conferences?

The WITNESS: They were very active in Mexico.

Dr. FRIGON: They were there most of the time but they did not participate.

Mr. MURRAY: Did they walk out?

Dr. FRIGON: They did in Florence, because of the presence of the Chinese representative.

Mr. MURRAY: In a radio discussion?

Dr. FRIGON: Yes.

Mr. STEWART: I have a question I should like to ask. It is based on practical experience but I shall not mention any names. In a certain radio station, not in Manitoba, the board of trade put on a dramatized program which they maintained was of a purely economic nature and, of course, not political. A group in the party which I represent decided that it was very political and approached the station. The station said: "Well, we will play ball with you; we will allow you to go on the air on the same basis with a purely economic script." Well, we submitted a script which was purely economic, but the station decided it was political. How does one distinguish between political and economic?

The WITNESS: We have had the question several times, Mr. Stewart, and sometimes it is extremely difficult. Section 22(3) of the Broadcasting Act prohibits dramatized political broadcasts, but several times the question has come up as to whether a certain broadcast was a dramatized political broadcast.

Mr. MURRAY: You mean partisan?

The WITNESS: That is where the difficulty comes—when is a broadcast political and when is it not?

The CHAIRMAN: I think the answer is very simple. It is political when you do not like it.

Mr. STEWART: That may be the answer, but it is not too useful.

The WITNESS: Since this is a statutory provision laid down by parliament we thought the only course was to get legal advice on the interpretation of those words in the Act, and we have had some interpretation in relation to particular programs. One was a series carried on a number of stations across the country written by the Canadian Chamber of Commerce. Legal opinion was that it was not prohibited under that section of the Act. We have a similar question before us right now and we are asking for scripts and we will get a legal opinion to see whether it falls within the meaning. I suggest that it is not an easy question to solve.

The most important thing I think is for the stations concerned to try to arrange for real fairness and there should not be too much clinging to interpretation of legal provisions.

The CHAIRMAN: If there are no further questions respecting finance I am going to suggest that we go on to item No. 7—that is the discussion of the estimates referred to the committee. Of course, there is not very much in the Book of Estimates on this.

Mr. FLEMING: Before you turn to that, may I make an observation? I thought we were leaving that until we returned from Montreal—that is all short wave.

The CHAIRMAN: Yes, but the question we were leaving over until after the Montreal trip was the question of the Ford building.

Mr. FLEMING: I understood those items on the estimates were linked with the trip to Montreal. One of the things we are seeing in Montreal is the short wave set-up.

The CHAIRMAN: This what the memorandum said: "It was decided that it would be well to have a meeting next Thursday at 4 and at 8 and on Friday at 10 lasting until 12, with decision as to whether another Friday meeting should be held to be settled by the full committee.

"Next Thursday morning the committee should continue with television and after that proceed with the items Nos. 1, 2, 3, 4 and 5." No. 5 is finance.

"All the above matters are essentially C.B.C. matters rather than Board of Transport. The Ford Hotel question is also a C.B.C. matter in the sense that C.B.C. was an agent for the government in its acquisition and consequently can supply most of the answers but the steering committee felt it might be taken up later after a visit to Montreal.

"The subcommittee proposes that a visit by the whole committee should be made to Montreal on June 5 and that then the usual weekly meetings could be held in that week, namely on Thursday and Friday."

We have come to No. 5, finance, and the question is whether it would be appropriate to turn to that, having been supplied with the information which we want or, as I suggested a moment ago, whether it might be deferred and that we go on with No. 7, a discussion of the estimates. My only reason for that suggestion is that I thought you might not have digested the information that has been brought down—perhaps that is not so however? If you are ready to go on with finance, now would be the appropriate time to do it.

Mr. FLEMING: May I ask one question about the Department of Transport. Have they a memorandum ready? I notice the representative of the department has been sitting here.

Mr. W. H. CATON (Dept. of Transport): Mr. Brown has prepared the usual statistics with reference to the purchase of licences and so forth, together with a short accompanying statement in connection with increases and decreases of costs.

The CHAIRMAN: Is that ready for filing?

Mr. CATON: Actually the statement is not quite finished yet.

The CHAIRMAN: You are saying in effect that the Department of Transport is not quite ready at this moment.

Mr. FLEMING: I did not know whether Mr. Caton was following this meeting or waiting to be heard?

The CHAIRMAN: I fancy that Mr. Caton is holding a watching brief—informing his chief of what is going on and when to be ready. Is that correct?

Mr. CATON: Yes.

Mr. FLEMING: The only suggestion that I have concerns taking up the short wave item. I have no objection to starting on this but I am sure we cannot finish it until after we have been to Montreal.

The CHAIRMAN: I would think that would be right.

Mr. FLEMING: I was going to ask for a much more detailed breakdown on the two large items—larger than what appears in the estimates. I presume that will not be difficult, Mr. Dunton?

The WITNESS: It would be quite easy.

The CHAIRMAN: What about proceeding then with item No. 5, finances—which requires information to be tabled by Mr. Dunton.

Mr. FLEMING: May I take one second to note some corrections in the printed evidence—No. 3. These were caught, but not in time to prevent the error going into the printing. On page 81, in line 3, I am quoted as saying to Mr. Dunton: "Do you want to answer?" I do not think I put the question quite like that. It was: "Do you wish to enlarge your answer?"

Then on page 82, and I am sure Mr. Stewart is concerned here, there are a number of questions there ascribed to him for which I must take the responsibility. They appear two-thirds of the way down on the page beginning:

That is the five kilowatt transmitter—.

The rest of the questions on that page are questions which I asked and Mr. Stewart should be exculpated. On page 85 "CKY" should be "CKEY". On page 86, about line 20 I am quoted as saying "—when it comes to entertaining applications for the extension of broadcasting into the field of vision." "Vision," should read "television."

By Mr. Stewart:

Q. Mr. Chairman, Mr. Dunton has given the committee a breakdown of the financial position of the Corporation on the ordinary broadcasting, and also a tentative projection of revenues and expenditures including needed improvements and extensions and their present revenue rates. This shows that at the present time there is a deficit of \$7 million on operations and on television a deficit of \$4 million odd, making a total deficit of \$11 million for current purposes, and I see that with respect to the tentative projection of revenues and expenditures that a deficit of \$6,915,000 is envisaged for 1955-56. Now, the other day one of the suggestions made for getting over the deficit was to abolish the licence fee, which would mean a loss of revenue of some \$7 million and substitute therefor a one dollar per head of population

in Canada grant which would be anticipated to produce in the neighbourhood of \$14 million, in other words provide sufficient revenue to the C.B.C. to enable them to carry on their operation and also take care of some or most of their indebtedness which had accumulated. I think the impression left by that suggestion was somewhat misleading because, frankly, I do not know of any other way in which you can get the money you need than through the suggestion of doubling the present licence fee and making it \$5, and increasing in all possible ways opportunities for commercial revenue. Would Mr. Dunton care to comment on that? Could the commercial revenues be increased?—A. No, because we only know of two sources of revenue, that coming directly from the public through licence fees and commercial revenues. The basis of our financial reserves is the revenue coming from the public. As I explained the other day, we do not think it is for us to go too far into how that is provided. We do think it is unlikely that we should be able to get much more out of commercial revenues. As we see it, if the system is to maintain the present standard there has to be a change in the basis of public revenue.

Q. Do you think that this system of annually coming to parliament for new loans is a satisfactory method of financing the Corporation? Have you any hope at all of repaying these loans on the present basis?—A. You mean from sound broadcasting?

Q. Yes.—A. We have already anticipated we would repay them and we regard them as a charge on the Corporation. As I explained the other day, repayment of those loans is not our main worry. They are one charge we have to meet out of future revenue, but it is by no means the most serious aspect of our operation.

Q. With respect to your more recent loans you have a more reasonable hope of repaying them?—A. Well, for one thing, we were able to get much more favourable terms on them. We should be putting aside a little bit each year for the purpose of making repayments. Another thing which I think I should point out there is this, that we are not financing current operations out of these loans, they are specifically for capital expenditures.

Q. But I see from this projection here that you anticipate a deficit of about \$11 million.—A. I might explain that this was in answer to a question asking us to project our financial statements ahead on the basis of what we know are regular increasing costs of the present operations, plus the improvements to the amounts which I mentioned the other day; and that is what this statement includes. Of course, if we could not see the revenues in sight we would not be increasing the expenditures which are scheduled here. But if we were not doing that we would not be carrying out the necessary improvements. And if we were not increasing them to a considerable extent we would not be able to maintain the service at the present standard. It comes down to this, that something basic must take place either on the revenue or the expenditure side, but we have never envisaged financing current operations in sound broadcasting out of loans. That would be quite unsound, I think.

Mr. FLEMING: Mr. Chairman, before we go further in these financial aspects may I suggest that we put on the record now these documents which we have been discussing, which have been supplied in answer to questions. They were produced yesterday by Mr. Dunton. I would suggest that we put on the record now the one marked 3, Tentative Projection of Revenues and Expenditures; and No. 4, Loans; No. 5, Tentative Statement of Expenditures to the 31st of March, 1950 re Newfoundland; and then the one headed, Estimated Extensions to Present Coverage.

The CHAIRMAN: Just a moment, until I get that last one.

Mr. FLEMING: That is the one you have in your hand there, Mr. Chairman; this one here—that is it—that has in it all the figures that we asked for.

The CHAIRMAN: That is the one without any number at the top?

Mr. FLEMING: Yes, it has no number. Then, next, the one—I believe it is a two page document entitled Expenditures by Department and Object, 1st April 1948 to 31st March 1949; and next is the one which came to hand this morning, Expenditures by Department and Object—1st April 1949 to 31st March 1950—Tentative.

The CHAIRMAN: Excuse me, in regard to that, did we not already take care of that with regard to having it printed?

Mr. FLEMING: No.

The CHAIRMAN: No, we did not, we left it to be in the same condition as those which were put in yesterday.

Mr. FLEMING: And the other one—I am not sure whether we put this in last week or not, it was produced last Friday—it is a four page document entitled Tentative Balance Sheet to 31st March, 1950; the first page is assets, the second page is liabilities, the third is income and the fourth is International Service expenditures. I think we will need all of these, Mr. Chairman, because we will have to ask questions about them.

CANADIAN BROADCASTING CORPORATION

Tentative Projection of Revenues and Expenditures

Including Needed Improvements and Extensions and Present Revenue Rates
(000 omitted)

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
Revenues						
Licence Fees	\$5,700	\$5,930	\$6,170	\$6,415	\$6,670	\$6,940
Commercial	2,400	2,400	2,400	2,400	2,400	2,400
Miscellaneous	270	200	150	150	150	150
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$8,370	\$8,530	\$8,720	\$8,965	\$9,220	\$9,490
Expenditures						
Program	\$4,730	\$5,480	\$6,280	\$7,020	\$7,715	\$8,345
Engineering	1,922	2,175	2,425	2,750	3,115	3,350
Wire Lines	1,150	1,400	1,625	1,850	1,925	1,975
Administration	488	555	610	665	720	775
Press & Information	337	460	585	610	635	660
Commercial	225	240	260	280	300	315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$8,852	\$10,310	\$11,785	\$13,175	\$14,410	\$15,420
Loan Interest	\$ 230	\$ 260	\$ 290	\$ 320	\$ 365	\$ 425
Depreciation	250	330	380	420	480	560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$9,332	\$10,900	\$12,455	\$13,915	\$15,255	\$16,405
Deficit	962	2,370	3,735	4,950	6,035	6,915

CANADIAN BROADCASTING CORPORATION

LOANS

1st Loan

Amount—\$500,000.00.

Authority—Vote 639—(1938-39).

Interest—3½ per cent payable semi-annually.

Released—February 1938.

Terms of repayment—Ten equal annual instalments of \$50,000.

Liquidated—December 1941.

2nd Loan

Amount—\$750,000.00.
 Authority—Vote 664—(1939-40).
 Interest—3½ per cent.
 Released—November and December 1939.
 Terms of repayment—Twenty equal semi-annual instalments of principal and interest amounting to \$44,768.42.
 Liquidated—February 1943.

3rd Loan

Amount—\$2,000,000.00.
 Authority—Vote 965—(1946-47).
 Interest—2¾ per cent.
 Released—March 1947.
 Terms—Repayable in forty equal semi-annual instalments of principal and interest amounting to \$65,338.62 commencing July 1-55 (interest at rate stated above payable semi-annually during interim period).

4th Loan

Amount—\$1,250,000.00.
 Authority—Vote 930—(1948-49).
 Interest—3¼ per cent.
 Released—January and March 1949.
 Terms—Repayable in forty equal semi-annual instalments of principal and interest amounting to \$42,262.11 commencing January 1, 1957 (interest at the rate stated above payable semi-annually during interim period).

5th Loan

Amount—\$4,500,000.00.
 Authority—Vote 934—(1949-50).
 Interest—3 per cent.
 Released—March 1950.
 Terms—Repayable in forty equal semi-annual instalments of principal and interest amounting to \$150,421.96 commencing January 1, 1959 (interest at the rate stated above payable semi-annually during interim period).

CANADIAN BROADCASTING CORPORATION

TENTATIVE STATEMENT OF EXPENDITURES TO 31ST MARCH 1950 RE NEWFOUNDLAND

1948-49 (Inauguration of Service)

Operations	\$ 12,000	
Capital	15,000	\$ 27,000

1949-50

Operations	264,000	
Capital	26,000	290,000-

Expenditures on Capital Account authorized to 31-3-50 to be completed in subsequent year		37,000
		<hr/>
		\$354,000

CANADIAN BROADCASTING CORPORATION

ESTIMATED EXTENSIONS TO PRESENT COVERAGE

While C.B.C. network service is available to the large majority of Canadians there are still a number of people in the outlying areas of Canada who cannot receive any network station or who, at best, receive intermittent, and therefore objectionable service, from one network only.

A. Over a period of years the C.B.C. has received requests for improved network service from many of these communities. Many such requests have been met with the expansion of C.B.C. service either through the establishment of high power transmitters, or through the location of low power relay transmitters at points along the wire-lines where program repeaters already were located. There remain, however, a number of localities whose citizens are anxious for C.B.C. service, and who have made their wants known to the C.B.C. The table that follows summarizes the number of communities who, at some time in the past ten years have urged the C.B.C. to supply them with network service. Owing to poor ground conductivity and mountainous terrain, most are located in northern or central B.C., northwestern or northern Ontario, and northern or eastern Quebec. Costs are on the basis of providing network service through establishment of low power relay transmitters.

Table 1.

Location	Population	Approx. Line Cost
12 in Ontario	21,374	\$ 105,000
12 in British Columbia	10,847	71,000
3 in Alberta	6,889	23,000
4 in Quebec	9,615	26,000
	48,725	\$ 225,000

Table 2.

(Points requesting service but where no line facilities available)

Location	Population	Approx. Line Cost
6 in British Columbia	5,360	\$ 75,000
1 in Ontario	28,790	15,000
	34,150	\$ 90,000

B. In addition, there are many communities who may not have made their coverage needs known to the C.B.C., yet who are not receiving Canadian network service. The following table summarizes their approximate number by provinces:

Table 3.

Location	Population	Approx. Line Cost
21 in Ontario	16,815	\$ 85,000
4 in British Columbia	2,648	60,000
5 in Quebec	4,761	24,000
		\$ 169,000

C. There are also areas in Canada served by privately-owned stations, whose communities want network service in addition to the existing non-network programs. The following are within this category:

Table 4.

CKFI Fort Frances, Ont.	\$ 14,821.00
CJAV Port Alberni, B.C.	11,388.00
CKVM Ville Marie, P.Q.	13,826.00
CKMR Newcastle, N.S.	6,864.00
CKOK Penticton, B.C.	6,429.00

D. There are a number of points in Canada where private stations are paying part of the line cost to bring network service to the communities they are licensed to serve. While the C.B.C. has recognized the need for network service at these points, it has not had sufficient funds to meet the connection costs involved. In many of these cases, the C.B.C. has paid a portion of the costs. If the C.B.C. were to pay such costs, an additional \$35,723 would be involved.

E. The C.B.C. is also faced with the need, at an early date, of bringing a Dominion network service to Newfoundland. Assuming this network would, for a start, only have one outlet in that province, viz.: in St. John's, line charges alone would amount to approximately \$35,000.

F. There are many additional places in Canada where listeners can tune only to one Canadian network. Where this happens to be the Trans-Canada or the French network, listeners in such areas are, at least, receiving a full network service. In localities, however, where outlets of the Dominion network only are available, it means that, in some cases, only an evening network service is provided. The C.B.C. has no figures readily available to indicate what it would cost to bring an alternative network service to the vast majority of English speaking listeners. The sum required would be considerable.

G. There remain large areas of Canada with sparse population who are not receiving regular network service. These are principally in the Yukon, N.W. Territories and Labrador, including parts of Newfoundland. While army signal stations are bringing C.B.C. service to small settlements in the Yukon and Northwest Territories, it is felt that these areas can perhaps most economically be served by means of short-wave. The C.B.C. would like to increase its short-wave facilities, if it had the means to do so.

While C.B.C. coverage in the Maritime provinces is generally quite good, there are still large areas that are not receiving interference-free service from C.B.C. stations. These areas comprise parts of New Brunswick and Nova Scotia. It is hoped that with certain increases in power and frequency changes for C.B.C. stations, and/or the addition of one or more C.B.C. transmitters, coverage of the Maritimes by the national system could be substantially improved. The significant obstacle to such improvements at the present time is, of course, lack of funds.

Another problem relating to C.B.C. coverage which has been outlined elsewhere, is the need for a second French network. Estimates of its cost have already been submitted.

SUMMARY OF ESTIMATED COSTS

A. (Ref: Table 1)

Capital Cost—non-recurring

31—low power relay transmitters, including repeater points:	\$106,000.
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Annual Operating Cost

31—low power relay transmitters	\$ 46,000.
Line company connection charges	225,000.

\$271,000.

(Ref: Table 2)

Capital Cost—non-recurring

7 low power relay transmitters	19,000.
--------------------------------	---------

Annual Operating Cost

7 low power relay transmitters	\$ 10,000.
Line company connection charges	90,000.

\$100,000.

Note 1—Above operating costs might be scaled down in event simultaneous service were provided for several new low power transmitters.

Note 2—Population figures are, in all cases, for communities only, and do not represent population coverage of transmitter.

B. (Ref: Table 3)

Capital Cost—non-recurring

30—20 watt transmitters	\$ 83,000.
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Annual Operating Cost

30—20 watt transmitters	45,000.
Line company connection charges	169,000.

\$214,000.

C. (Ref: Table 4)

Annual Operating Cost

Line charges for 5 stations	53,328.
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D. *Annual Operating Cost*

Adjustment in costs of lines now paid by certain private stations	35,723.
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E. *Annual Operating Cost*

Line charges for minimum extension of Dominion network to St. John's, Newfoundland	35,000.
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Estimated Total Operating Costs:—	\$709,000.
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Estimated Total Capital Costs:—	208,000.
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CANADIAN BROADCASTING CORPORATION

EXPENDITURES BY DEPARTMENT AND OBJECT

1st April, 1948, to 31st March, 1949

	Administration		Engineering		Programme		Press and Information		Commercial		Total National	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Advertisements.....	20	25	102	34	21	42	44,027	77	5,670	64	49,842	42
Artists' Fees.....					1,448,427	96			450	50	1,448,878	46
Announcers, Producers, etc., Services.....					590	00					590	00
Automobile Expenses.....			10,060	88							10,060	88
Displays and Exhibits.....							257	74			257	74
Duty Entertainment.....	7,370	02	516	65	7,643	26	1,033	57	897	12	17,460	62
Exchange.....	66	88			1,143	50					1,210	38
Donations and Prize Money.....	410	00	162	50	22,676	73	232	49			23,481	72
Freight, Express and Cartage.....			20,994	97							20,994	97
Fuel.....			12,047	30							12,047	30
News—Press Service.....					129,814	35					129,814	35
Honoraria.....	4,979	89			450	00					5,429	89
Incidentals.....	1,042	31			3,074	78	1,574	55	1,364	11	7,055	75
Insurance.....	1,205	34	15,699	85	7,378	57	445	72	595	98	25,325	46
Light and Power.....			107,539	98							107,539	98
Local Loops.....			150	26	17,441	51			236	65	17,828	42
Local Trans., Car Fare, Taxis, etc.....	44	40	612	65	3,258	45	165	40	182	52	4,263	42
Maintenance, Technical Equipment.....			45,459	58							45,459	58
Maintenance, Buildings and Grounds.....			34,492	83							34,492	83
Maintenance, General.....			47,392	43	6,966	42					54,358	85
Maintenance, Tubes.....			57,781	51							57,781	51
Membership Fees.....	232	76	252	16	657	00	95	14	80	00	1,317	06
Music.....					34,815	03					34,815	03
Manuscripts and Plays.....					54,538	46	1,043	00			55,581	46
Papers, Periodicals and Magazines.....	566	33	1,032	32	2,219	82	1,853	06	257	26	5,928	79
Performing Rights.....					300,643	30					300,643	30
Photographic and Blue Prints.....	3,951	90	3,464	55	252	05	22,771	89	1,433	13	31,873	52
Postage and Excise.....	4,053	28	1,612	75	10,585	86	15,448	06	1,449	18	33,149	13
Printing and Stationery.....	14,643	46	5,483	45	50,379	55	62,965	84	10,051	09	143,523	39
Professional Fees and Legal Expenses.....	4,810	52	5,373	42	2,431	96	20	00	313	72	12,949	62
Listeners' Surveys.....					60	00	505	00	16,620	52	17,185	52
Carried Forward.....	43,397	34	370,232	38	2,105,469	98	152,439	23	39,602	42	2,711,141	35

CANADIAN BROADCASTING CORPORATION

EXPENDITURES BY DEPARTMENT AND OBJECT—*Concluded*

	Administration	Engineering	Programme	Press and Information	Commercial	Total National
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Brought Forward.....	43,397 34	370,232 38	2,105,469 98	152,439 23	39,602 42	2,711,141 35
Records.....		1,951 10	33,738 93		3,422 48	39,112 51
Recording Blanks.....		573 57	32,658 24		7,465 61	40,697 42
Reserve for Bad Debts.....					328 98	328 98
Removal Expenses.....	222 32	10,804 13	10,038 27	452 91		21,517 63
Rental of Buildings or Floor Space.....	26,496 00	37,852 54	139,700 70			204,049 24
Rental of Equipment.....	2,750 77	664 02	2,992 85	189 00	158 00	6,754 64
Rental of Halls and Studios.....			13,267 24		4,030 00	17,297 24
Rental of Musical Instruments.....			1,799 50		25 00	1,824 50
Superannuation.....	17,257 05	61,182 09	82,485 73	5,327 94	7,927 08	174,179 89
Salaries—Personnel only.....	242,179 16	858,136 78	1,232,173 62	79,463 70	118,543 72	2,530,496 98
Secretarial and Casual Wages.....	3,440 89	69,030 06	19,873 30	855 41	189 50	93,389 16
Station Charges—Programme Transmissions.....		2,291 65	331 55			2,623 20
Overhead Expenses—Projects.....		Cr. 48,212 98				Cr. 48,212 98
Station Lines—Studio to Transmitter.....		66,451 52				66,451 52
Post-War Planning—Abandoned Projects.....		128 09				128 09
Teletype Service.....	2,364 00	1,353 96	19,760 43	306 00	459 00	24,243 39
Taxes, Water Rates and Services.....		1,145 14				1,145 14
Telegraphs and Cables.....	1,202 98	656 84	19,203 23	1,280 38	4,287 45	26,630 88
Telephones.....	4,946 79	7,729 89	38,750 67	2,089 11	5,112 05	58,628 51
Transmission Lines.....						
Travelling.....	24,442 30	24,070 03	65,749 15	2,949 57	4,253 67	121,464 72
Technical Course.....		46 44				46 44
Improvements to Leased Properties.....		136,252 60				136,252 60
Studio Improvements acquired through CKY Purchase.....		80,000 00				80,000 00
	368,699 60	1,682,339 85	3,817,993 39	245,353 25	195,804 96	6,310,191 05

SUMMARY

As above.....	\$6,310,191 05
Add—Transmission Lines.....	1,030,840 82
Interest on Loans.....	58,788 53

\$7,399,820 40

CANADIAN BROADCASTING CORPORATION

EXPENDITURES BY DEPARTMENT AND OBJECT

1st April, 1949, to 31st March, 1950

(TENTATIVE)

	Administra- tion	Engineering	Programme	Press and Information	Commercial	Television	Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Advertisements.....	102 00	2 00	202 00	15,225 00	5,432 00		20,963 00
Artists' Fees.....			1,543,150 00		879 00		1,544,029 00
Announcers, Producers, etc., Services.....			578 00				578 00
Automobile Expenses.....		7,546 00				90 00	7,636 00
Displays and Exhibits.....				947 00			947 00
Duty Entertainment.....	7,203 00	432 00	5,955 00	1,024 00	573 00	1,423 00	16,610 00
Exchange.....	53 00	4 00	564 00	1 00	1 00	4 00	627 00
Donations and Prize Money.....	231 00	171 00	16,799 00	5 00			17,206 00
Freight, Express and Cartage.....		23,337 00				34 00	23,371 00
Fuel.....		11,650 00					11,650 00
News—Press Service.....			144,037 00				144,037 00
Honoraria.....	5,583 00		10 00				5,593 00
Incidentals.....	1,780 00	86 00	3,738 00	1,081 00	1,924 00	43 00	8,652 00
Insurance.....	1,720 00	21,734 00	9,903 00	563 00	681 00	18 00	34,619 00
Light and Power.....		126,844 00				4 00	126,848 00
Local Loops.....			16,356 00		97 00		16,453 00
Local Trans., Car Fare, Taxis, etc.....	46 00	1,135 00	5,185 00	217 00	113 00	201 00	6,897 00
Technical Stores.....		1,273 00					1,273 00
Maintenance—							
Technical Equipment.....		38,170 00				617 00	38,787 00
Buildings and Grounds.....		33,987 00				289 00	34,276 00
General.....		48,476 00	276 00			120 00	48,872 00
Tubes.....		37,996 00	151 00			82 00	38,229 00
Membership Fees.....	286 00	300 00	707 00	181 00	95 00	17 00	1,586 00
Maintenance—Musical Instruments.....			7,667 00				7,667 00
Music.....			44,177 00				44,177 00
Manuscripts and Plays.....	300 00		55,070 00	12 00			55,382 00
Carried Forward.....	17,304 00	353,143 00	1,854,525 00	19,256 00	9,795 00	2,942 00	2,256,965 00

CANADIAN BROADCASTING CORPORATION—*Concluded*

EXPENDITURES BY DEPARTMENT AND OBJECT—*Concluded*

	Administra- tion		Engineering		Programme		Press and Information		Commercial		Television		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Brought Forward.....	17,304	00	353,143	00	1,854,525	00	19,256	00	9,795	00	2,942	00	2,256,965	00
Photographic.....	3,376	00	413	00	47	00	23,181	00	613	00	125	00	27,755	00
Papers, Periodicals and Magazines.....	510	00	1,227	00	2,630	00	2,595	00	341	00	205	00	7,508	00
Performing Rights.....			3	00	311,525	00							311,528	00
Blue Prints.....			3,093	00	8	00	8	00	268	00	3	00	3,380	00
Postage and Excise.....	4,472	00	1,805	00	12,752	00	14,389	00	1,601	00			35,019	00
Printing and Stationery.....	19,255	00	5,874	00	57,350	00	58,668	00	8,568	00	32	00	149,747	00
Professional Fees and Legal Expenses.....	7,450	00	3,735	00	4,531	00	5	00	353	00	320	00	16,194	00
Listeners' Surveys.....					10	00			17,108	00	178	00	17,296	00
Records.....			1,642	00	49,651	00			898	00			52,191	00
Recording Blanks.....			622	00	41,885	00			6,863	00			49,370	00
Reserve for Bad Debts.....									1,498	00			1,498	00
Removal Expenses.....	5,560	00	2,721	00	5,849	00					90	00	14,220	00
Rental of Buildings or Floor Space.....	26,496	00	20,288	00	162,073	00							208,857	00
Rental of Equipment.....	8,506	00	471	00	3,278	00	73	00	30	00	6	00	12,364	00
Rental of Halls and Studios.....					7,391	00			200	00			7,591	00
Rental of Musical Instruments.....					2,045	00							2,045	00
Superannuation.....	17,915	00	70,425	00	91,232	00	5,878	00	8,059	00	1,496	00	195,005	00
Salaries—Personnel Only.....	269,128	00	1,010,845	00	1,478,050	00	95,784	00	130,787	00	25,211	00	3,009,805	00
Secretarial and Casual Wages.....	2,935	00	83,388	00	25,917	00	545	00	433	00	120	00	113,338	00
Station Charges—Programme Transmissions.....			5,500	00	1,035	00							6,535	00
Overhead Expenses—Projects.....			Cr. 67,373	00									Cr. 67,373	00
Station Lines—Studio to Transmitter.....			84,393	00									84,393	00
Teletype Service.....	2,364	00	1,354	00	20,425	00	306	00	459	00			24,908	00
Taxes, Water Rates and Services.....			2,446	00									2,446	00
Telegraphs and Cables.....	885	00	623	00	18,288	00	1,843	00	5,327	00	151	00	27,117	00
Telephones.....	6,322	00	8,175	00	41,247	00	2,294	00	4,745	00	616	00	63,399	00
Travelling.....	24,522	00	22,239	00	69,456	00	3,175	00	3,054	00	24,505	00	146,951	00
Technical Course.....			65	00									65	00
Improvements to Leased Properties.....			62,883	00									62,883	00
	417,000	00	1,680,000	00	4,261,000	00	228,000	00	201,000	00	56,000	00	6,843,000	00

SUMMARY

Expenditures as above.....	\$6,843,000.00
Add—Transmission Lines.....	1,091,000.00
Interest on Loans.....	95,000.00
Total.....	<u>\$8,029,000.00</u>

CANADIAN BROADCASTING CORPORATION

TENTATIVE BALANCE SHEET, 31ST MARCH, 1950

ASSETS

<i>Current</i>			
Cash on Hand and in Bank.....		\$ 613,664.04	
<i>Accounts Receivable:</i>			
General.....	\$ 635,134.00		
Less Reserve for Bad Debts.....	5,000.00		
			630,134.00
<i>Dominion of Canada:</i>			
Re: International Service.....	\$ 813,555.29		
Radio Licence Fees.....	36,960.17		
			850,515.46
Accrued Bank Interest.....			1,779.89
<i>Investments—</i>			
Dominion of Canada Bonds (Market Value \$5,595,300)....	5,572,500.00		
Accrued Interest Receivable.....	32,465.75		
		5,604,965.75	
			7,701,059.14
<i>Fixed—</i>			
Real Estate, Buildings, Technical Equipment, Studio and Office Furnishings, Library of Records, etc.....		5,320,148.11	
Less Allowance for Depreciation and Obsolescence, November 2nd, 1936, to March 31st, 1950.....		2,595,687.74	
			\$2,724,460.37
Add International Service Facilities, Sackville, N.B., and Montreal, P.Q. (Per Contra Account—Dominion of Canada).....		4,944,286.64	
			7,668,747.01
<i>Deferred Charges and Prepaid Expenses—</i>			
<i>Inventories:</i>			
Expendable Stores.....	\$ 184,061.47		
Stationery and Printing.....	83,504.95		
Publications.....	931.15		
		\$268,497.57	
Prepaid Charges.....		38,485.81	
			306,983.38
			<u>\$15,676,789.53</u>

SPECIAL COMMITTEE

CANADIAN BROADCASTING CORPORATION

TENTATIVE BALANCE SHEET, 31ST MARCH, 1950

LIABILITIES

<i>Current—</i>	
Accounts Payable.....	\$ 878,404.08
Securities Deposited by Contractors.....	13,472.00
	\$ 891,876.08
<i>Dominion of Canada—</i>	
Loan 2½% for Capital Works (Authorized by Appropriation Act No. 6, 1946—Vote 965).....	\$2,000,000.00
Loan 3½% for Capital Works (Authorized by Appropriation Act No. 4, 1948—Vote 930).....	1,250,000.00
Loan 3% for Television (Authorized by Appropriation Act No. 7, 1949—Vote 934).....	4,500,000.00
	7,750,000.00
<i>Dominion of Canada—</i>	
International Service Facilities, Sackville, N.B., and Montreal, P.Q. (Per Contra Account).....	4,944,286.64
<i>Surplus—</i>	
Capital Surplus, acquired at inception under Section 25 of "The Canadian Broadcasting Act, 1936".....	\$ 494,377.16
Add acquisition of assets due to Union with Newfoundland, April 1st, 1949.....	361,375.88
	\$ 856,053.04
Operating Surplus, as at April 1st, 1949.....	1,544,626.22
Deduct adjustments during year.....	68,052.45
	\$1,476,573.77
Less Operating Deficit 1949/50.....	242,000.00
	1,234,573.77
	2,090,626.81
	\$15,676,789.53

CANADIAN BROADCASTING CORPORATION

TENTATIVE STATEMENT OF INCOME AND EXPENDITURES 1ST APRIL, 1949 TO 31ST MARCH, 1950

INCOME

Licence Fees.....	\$5,481,000.00
Commercial Broadcasting.....	2,368,000.00
Miscellaneous.....	149,000.00
	\$7,998,000.00

EXPENDITURES

Programmes.....	\$4,196,000.00
Engineering.....	1,680,000.00
Station Networks (Wire Lines).....	1,156,000.00
Administration.....	417,000.00
Press and Information.....	228,000.00
Commercial Department.....	201,000.00
Television (Promotional).....	56,000.00
Interest on Loans.....	95,000.00
	8,029,000.00
Deficit.....	\$ 31,000.00
Add Allowance for Depreciation and Obsolescence—	
2½% on Buildings.....	\$ 45,000.00
5% on Equipment.....	166,000.00
	211,000.00
Total Operating Deficit.....	\$ 242,000.00

NOTE: For expenditures re International Service see separate statement.

Then, Mr. Chairman, there is one other production which has been made in reply to a request by myself that we be furnished with a statement covering income and expenditure over the last ten years. That has been put together in a handy little booklet by the officers of the Corporation but I think it really is too bulky for printing in its present form. So far as any questions on it that I may ask are concerned it would only be for reasons of comparison with respect to revenue and expenditure so I do not see any necessity for printing the whole of this document, unless it could be reduced to a simple form of income and expenditure for the ten-year period.

The CHAIRMAN: We will leave it for Mr. Dunton to prepare for us an excerpt of the material which you have requested, Mr. Fleming.

The WITNESS: Just a simple summary of revenue and expenditure for the period covered, I take it.

The CHAIRMAN: Yes.

By Mr. Fleming:

Q. May I suggest, Mr. Chairman, that we start in with the breakdown of expenditures which have been furnished to us. We will probably need only the two statements for that purpose, the one for the year 1948-49 and the tentative one for the year 1949-50, and I would suggest that we take them item by item. If it meets with your approval, Mr. Chairman, I would like at this time to ask about the advertisement item in relation to the five headings under which it is broken down. I notice that the amount for press and information for 1948-49 was \$44,027.77 and for commercial it was \$5,670; and for the year 1949-50 press and information is shown as \$15,225 and commercial at \$5,432. Could we have an explanation of these items? What they are for?—A. Yes. I would like to explain, Mr. Chairman, that the figure under the object advertisements and the heading Press and Information is for general advertising about the Corporation, its service and programs. It was relatively high in 1948-49 because it covered publicity in connection with the opening up of our new stations; for instance, we opened up a station in Alberta and we wanted to let the public, the listeners, know that the station was going to be opened and the type of program it was going to supply. That item not only covers the advertising in connection with the opening of that station but also in connection with the new stations in Manitoba, CJBC in Toronto, Chicoutimi and Sydney, Cape Breton. That is why it was relatively high that year.

Q. So that this, I take it, had nothing to do with publicizing programs?—A. Well, sir, it would be publicizing programs, because it publicized the new stations and the kind of programs that would be put on over the new stations.

Q. That would cover the facilities offered the public by the C.B.C.?—A. Yes. There would be a small amount in there for other program services. I think we did in Toronto call attention to alternative services, and that year for a period of several weeks we ran an advertisement in the press drawing attention to actual programs on the air.

Q. I gather from your first statement that this item, broadly speaking, relates to special publicity for the Corporation?—A. We do a little bit each year, and it was considerably higher in 1948-49 because of special expenditures made in launching the new stations.

Q. Then, press and information; do these outlays represent payments made to the press in all cases, or do they include other charges?—A. This includes all the things covered in the item press and information, which is the department charged with putting out information of all kinds about the C.B.C.

By Mr. Murray:

Q. And you put out mats and cuts to the weeklies all around the country?—A. Yes, we put out all kinds of material.

Q. And pictures of artists and so on?—A. Advertising generally; and I might say that the department also has certain duties to perform for the Corporation, for instance, in connection with the national program order and so on, and while that does not go outside of the Corporation it is part of the work of that unit; also, for administrative purposes it is charged with looking after the reference library, not only the reference library, not only for its own use but for other departments as well.

Mr. FLEMING: And that item "commercial" would form part of the total expenditure?

The WITNESS: That is only for a small portion of advertising in certain trade papers drawing attention to the C.B.C. and its facilities. It is a very small amount in relation to the size of the C.B.C. These trade publications carry comment about the C.B.C. and its work and they ask us on occasion to take space in their publication. It is nothing like the amount of money spent on this kind of advertising by broadcasters in the United States.

By Mr. Murray:

Q. How would your expenditures under that heading compare with the similar cost in let us say, the Columbia Broadcasting System?—A. I would like to point out that I think this last year our total expenditure on press and information was about 2.8 per cent and I think that is a tiny percentage for any organization engaged in broadcasting. I think from the point of service to the Corporation it is far too small and that it does not permit of drawing sufficient attention on the part of the listener to the service which is being produced and supplied by the C.B.C. I do not know what the amount spent on this account by the Columbia Broadcasting System or the N.B.C. is, but I do know that they spend quite a considerable amount on all forms of publicity.

Q. You cannot give us a comparison of that expenditure with similar expenditures made by the systems in the United States, could you; for instance, those that are competing with other systems—they might have to spend a lot more money than would be the case with the C.B.C. here in Canada which is a monopoly.—A. I do not think that we would need to go quite as high in the way of percentage expenditure as in the case of the C.B.S. or the N.B.C. in the United States, but I think we would be providing a better service to listeners if we were spending more than we are spending now. The B.B.C. does a great deal of very useful information work in connection with their programs and the A.B.C. in Australia does it too.

The CHAIRMAN: It might also be pointed out that your answer to Mr. Murray's previous request sort of makes a comparison?

Mr. MURRAY: As to listeners, I think the C.B.C. has very little competition, but over there with the N.B.C. and the C.B.S., everybody knows they are in the keenest of competition.

The WITNESS: I might explain, Mr. Chairman, that it is more just a question of the C.B.C. and its program policy, helping the Canadian public to get to know their artists. I think it is often a shame to see the way the Canadian public will pay greater tribute to artists just simply because they have been publicized and are big name people through the publicity they get on the other side, whereas the Canadian artist of comparable talent does not get anything like the same recognition because there has not been the same amount of push or build up brought to their support. I think it is a very healthy thing for the country to try to get more publicity and more recognition for real Canadian talent, and I know that the artists themselves feel very strongly about it.

By Mr. Fleming:

Q. I suppose you would limit the amount the C.B.C. would spend to advertise any particular artist?—A. Well, it is a question of more publicity for all artists,

and the more there is the better I think it is for all concerned. The public are more interested in people than anything else. For instance, the public are much more interested in a program like Singing Stars of Tomorrow, or anything of a similar nature, if you show the people who are taking part in it, give something of their background, their history and so on; put the element of personal interest into it.

By Mr. Hansell:

Q. And when you advertise the artist, do you not generally do that through a press service?—A. That is one method.

Q. And then it goes out to the local newspapers as well as the others?—A. That is one method, we do that.

Q. I think the return from that sort of thing is good.—A. I think it is good, but then we do not just take the picture of an artist and send out the picture, we include with that background material and program material, sort of tie the whole thing together.

Mr. FLEMING: I gather from a remark you made two or three minutes ago that included in this item is money used for the purpose of interesting possible sponsors of programs; did I misunderstand you there?

The WITNESS: No, we do that kind of advertising under the heading of commercial there. You will see the figure of \$5,670,000—pardon me, we are so used to putting these statements up with the three zeros omitted that I made a mistake—\$5,670, that is chiefly to get the facilities of the C.B.C. before possible sponsors.

Dr. FRIGON: May I just make a remark about this? This is part of our responsibility to the trade who publish what we do in the way of broadcasting and in return they expect us to take some space, and that is covered in this item.

Mr. FLEMING: Unless other members wish to ask questions—

The CHAIRMAN: I just wanted to ask something, or to make an observation that may arise out of this. There have been from time to time controversies about the C.B.C., generally by reason of disputes that have been going on between the Canadian Association of Broadcasters and the C.B.C. It has always struck me that a great many of the private stations will put out what one might call their side of the case and that the C.B.C. in our view did not do very much in the way of presenting the facts that from its point of view ought to be presented. Now then, I do not know whether it would come under this heading, if you were to do that sort of thing, or whether it would come under some other heading or perhaps it may be that these gentlemen here just don't do that sort of thing. What is your practice with regard to that?

The WITNESS: We have not thought that it was our job to spend money arguing about the laws of Canada; on the other hand, we have received a lot of criticism from people who say we don't do enough in the way of explaining what the national system is, how it operates, under what legislation and so on. I think we should be very careful as a public body in making expenditures of that kind; but I think it would be proper and good for us to meet some of this criticism by putting out more information about the national system, as to what it is and how it operates. Anything we did in that line would be under the heading of press and information.

The CHAIRMAN: I would like to follow that a little further. I think many of us present will recall the controversy which developed between the Canadian National Railways and a certain other line, and that there was a time when the Canadian National was certainly not particularly well thought of by the public, and it was not until the Canadian National Railways began to present the facts about itself that opinion began to change; and I think a much healthier condition in the country has been the result. Now, it is that sort of thing I had in

mind. I just gave you that simple little illustration because it seems to me that there are a great many people in Canada who have the idea that the Canadian Broadcasting Association has a great deal of money handed out to it each year; they do not know that that money has been paid back and paid back in a number of cases prior to the due date.

Mr. FLEMING: Did you say the Canadian Broadcasting Association?

The CHAIRMAN: Yes.

Mr. FLEMING: You meant the Corporation?

The CHAIRMAN: I meant the Corporation, yes. And there is a great deal of factual information that seems to me could be put out in the interest of the organization and without in any way depreciating the kind of service the private station gives. I think that all members of the committee appreciate that the private stations, taken by and large, are doing a good job, doing a really good job, but I think there is a little misconception of thought respecting the Canadian Broadcasting Corporation which the Canadian Broadcasting Corporation ought to correct.

Surely it is not beyond the ingenuity of the programmers to present factual information in a manner that would be very acceptable to the listeners; and if you have been receiving criticisms of this sort, you may add my own to them because I have felt that way for some time.

The WITNESS: We have done quite a lot but I think maybe we have been remiss in not doing more than we have done. It is partly timidity and partly through a desire to be fair and not to step in where we should not. But the chief limiting factor has been cost as usual. We just have not had the money to do it.

Mr. MURRAY: Do you not think that parliament would be the proper authority to rally to the defence of its offspring?

The CHAIRMAN: I think that is quite right.

Mr. MURRAY: Mr. Dunton could not very well go on the air and say: "I am doing my work well and everything is fine". People would not like that. This corporation was brought into being by parliament and I think it is up to parliament and to the members of this committee to defend that corporation. Personally, I do not think it needs it. This whole matter was thrashed out on the platform last summer from one end of the country to the other, and the people gave their verdict. I do not think there is a protest from any quarter of this country.

The CHAIRMAN: Perhaps that is what one would say in respect to the Canadian National Railways. They would still expect Mr. Gordon constantly to be giving factual information about the Canadian National Railways for the purpose of seeing that the country is kept well informed.

Mr. MURRAY: Well, I suppose there is routine factual information which could be given about the general policy of the Canadian Pacific versus the Canadian National. I do not know just where an executive down there would begin, or where he would go.

The CHAIRMAN: It is a fact that from the time the Canadian National Railways started to fight back against some of the propaganda that was being made against them, the public began to take a new view of the Canadian National Railways.

Mr. SMITH (*Calgary West*): Are you sure you are right about that?

The CHAIRMAN: I think so.

Mr. SMITH (*Calgary West*): Did not that arise when the Canadian National Railways began to give service, when Sir Henry Thornton spent money like water, including \$1 million for a hotel in Paris, France? Then we got service and that

was what changed people's attitude towards the Canadian National Railways. It was not propaganda, it was sound and good service.

The CHAIRMAN: I do not think I used the words "propaganda" with respect to the Canadian National Railways. I think I probably used the word "information" or some other word. I am confident I did not use the word "propaganda".

Mr. SMITH (*Calgary West*): But you meant to.

The CHAIRMAN: No, because "propaganda" may or may not be true, and I nearly always refrain from using it. I admit that it cannot be completely simplified in the manner as stated. However, it is and always has been my view that about the time when the Canadian National Railways began to blow their own horn, they had justification in their service for doing so, and that was what began to change public opinion. I might be wrong about it, but certainly it cannot be too greatly over-simplified.

Mr. FULTON: Is it not a fact that these committees have from time to time proven to be very useful media in providing information regarding the C.B.C. and placing it before the public? This is one of the committees which received the greatest prominence in the press. I think the general public is most interested in reading about what goes on in this committee.

The CHAIRMAN: I quite agree with you.

By Mr. Hansell:

Q. I think your observations are well taken. I think the Canadian people have need to be informed of the background of radio policy in Canada. In spite of what Mr. Murray may have observed, they do not know very much about radio policy. For example, I sent out questionnaires to nearly 1,000 people on my own, just to determine how much the average citizen knew. I did not know to whom they were sent out. I went down to the library and got directories from all over the country. I did that myself, or my secretary did it largely. The people just do not know. I got a letter the other day from a person asking for a copy of my broadcast given over the C.B.C. Now in fact I never gave that broadcast over the C.B.C. It was over a local station. Mr. Dunton says that cost enters into it. I think perhaps you referred to printing and advertising, did you not? Could not a lot of that be done for instance through your Talks Department?—A. No. Our present Information Department cannot even meet current requests for information. For example, quite a lot of publications will say: "Here is an interesting thing about the C.B.C. Can you give us material on it?" We have not got enough staff to keep up with those requests. I think it is a small amount of money in relation to the usefulness of it.

By Mr. Stewart:

Q. Has Mr. Dunton given consideration to how much more money would be needed by the corporation in order to do an adequate job in his opinion?—A. We mentioned it the other day, \$200,000. That would still not be a large amount.

By Mr. Fleming:

Q. As it is just about 12 o'clock and I understood that we had agreed to adjourn at 12, might I ask Mr. Dunton if he could assist us in reviewing this break-down by furnishing us with the budget for the current fiscal year 1950 to 1951 by way of comparison? He gives us the total in another statement indicating that they anticipate expenditures in the year 1950-51, not including loan interest and depreciation, of \$8,852,000. If we could just have that to make comparisons with as we go over these items of expenditures in the two years which we have before us now, I think it would be helpful and would save time.—A. You have a break-down by departments in the statement of projected revenues and expenditures. It is broken down by departments.

Q. But I mean one to correspond with the break-down on these two statements we are working on now.—A. Yes.

Q. I mean to have a similar break-down of your budget this year to correspond with the statements now before us.—A. That would be quite a job, Mr. Fleming.

Q. Would it? I do not want to put you—A. We could have a try at it.

Q. I do not want to put you to a whole lot of work. I thought you probably prepared your budget in about the same way and if you had that and it would save us some time in running over the figures now, and comparing them.—A. Yes, it would be done somewhat in the same way. I think we could give you something which would be of help.

Mr. BRAMAH: You want a comparison for three years, 1949, 1950 and 1951, Mr. Fleming?

Mr. FLEMING: No. We have this break-down for the years 1948-49; and the tentative one for 1949-50. But in your budget for the year 1950-51 I assumed it would be broken down in a way which would correspond with these statements so that we could see at a glance the trend of the expenditures in each department.

Mr. BRAMAH: With a total for each object?

Mr. FLEMING: Yes, to correspond with the items in these statements.

The CHAIRMAN: Would the committee consider our continuing to sit a little longer at this time?

Mr. FLEMING: In view of what had been announced I promised to be at another committee meeting at 12 o'clock. I must go. I am sorry.

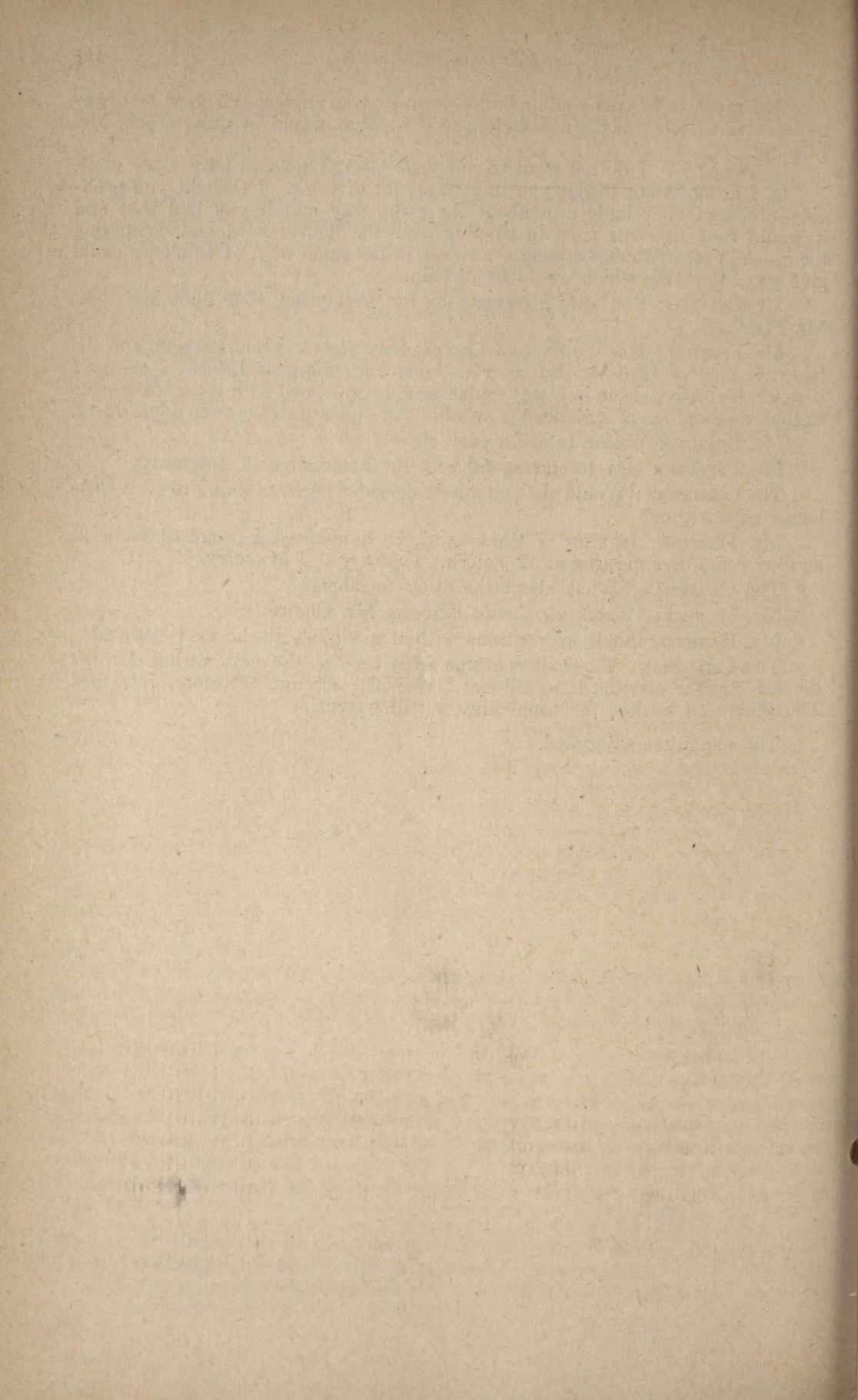
The CHAIRMAN: What about the other members?

Mr. MURRAY: I think we should adjourn, Mr. Chairman.

Mr. HANSELL: Shall we continue with this subject at the next sittings?

The CHAIRMAN: We shall continue from here at the next sitting. I think the sense of the meeting is to adjourn. We shall adjourn, therefore, until next Thursday. Of course, the usual notices will go out.

The committee adjourned.



SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

MEETING IN MONTREAL

MONDAY, JUNE 5, 1950

and

THURSDAY, JUNE 8, 1950

WITNESSES:

Augustin Frigon, General Manager,
A. Davidson Dunton, Chairman of the Board of Governors,
Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1950

SPECIAL COMMITTEE

on

RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspé*), Esq.

Messrs.

Boisvert	Gauthier (<i>Sudbury</i>)	Robinson
Balcer	Hansell	Riley
Cote (<i>St. John-Iberville-Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary</i>)
Diefenbaker	Kirk (<i>Antigonish-Guysborough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE.

REPORT OF THE HOUSE

THURSDAY, June 1, 1950.

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

FIRST REPORT

Your Committee recommends that it be empowered to hold a meeting, in Montreal, on Monday, June 5th next.

All of which is respectfully submitted.

RALPH MAYBANK,
Chairman.

MEETING IN MONTREAL

MONDAY, June 5th, 1950.

Members of the Parliamentary Radio Committee entrained for Montreal at 8.30 a.m., daylight saving, and met in the General Manager's Office, Canadian Broadcasting Corporation Building, (the former Ford Hotel), at 12.15 p.m.

Members present: Messrs. Balcer, Cote (*St. John-Iberville-Napierville*), Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Langlois (*Gaspé*), Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Riley, Smith (*Moose Mountain*), Stewart (*Winnipeg North*).

In attendance: Dr. Augustin Frigon, General Manager; Mr. A. D. Dunton, Chairman, Board of Governors; Mr. E. L. Bushnell, Director General of Programs; Mr. Hugh Palmer, Secretary of the Board of Governors; Mr. C. B. Delafield and Mr. Aurèle Séguin, Chiefs of International Services; Heads of all Administrative Divisions and other Services; and Miss Louise Simard, private secretary to the General Manager.

After a word of welcome from the General Manager, an organized tour of CBC building in the process of being renovated was made under the direction of Messrs. M. Laporte, W. Nichols, E. C. Stewart, H. Audet, C. E. Stiles, A. D. Monk, R. Daveluy, H. Morrison.

On completion of this inspection, the Members were invited to a television demonstration.

Luncheon was given in the main board room of the CBC.

The Parliamentary Group was guest of the Corporation at the Laval-sur-le-Lac Golf Club and, in the course of the dinner, the Chairman expressed the Committee's satisfaction in having had the privilege of making an inspection of the new CBC Building. He complimented the Members of the Staff for having made this visit a profitable one.

(For details of the inspection, see Appendices to these Minutes.)

The following documents were available for distribution:

1. CBC Wednesday Night, June, 1950, (program);
2. This is Canada, June, 1950;
3. CBC Times, June 4-10, 1950;
4. Results of Questionnaires sent out. By I. S. German Section in April, 1949;
5. CBC International Service, April, 1950.

The Members of the Committee left Montreal at 9.20 p.m., daylight saving, arriving in Ottawa at 11.45, to meet again on Thursday, June 8, at 3.00 o'clock in the afternoon.

ANTONIO PLOUFFE,
Clerk of the Committee.

VISIT OF RADIO CANADA BUILDING PARLIAMENTARY COMMITTEE
ON RADIO BROADCASTING

ITINERARY

- (1) Main Board Room—(room 1229)
 - (a) Luncheon—
 - (b) Remarks—Dr. A. Frigon
 - (c) Formation of groups—

Leaders

I—M. Laporte—C. E. Stiles

II—W. Nichols—A. D. Monk

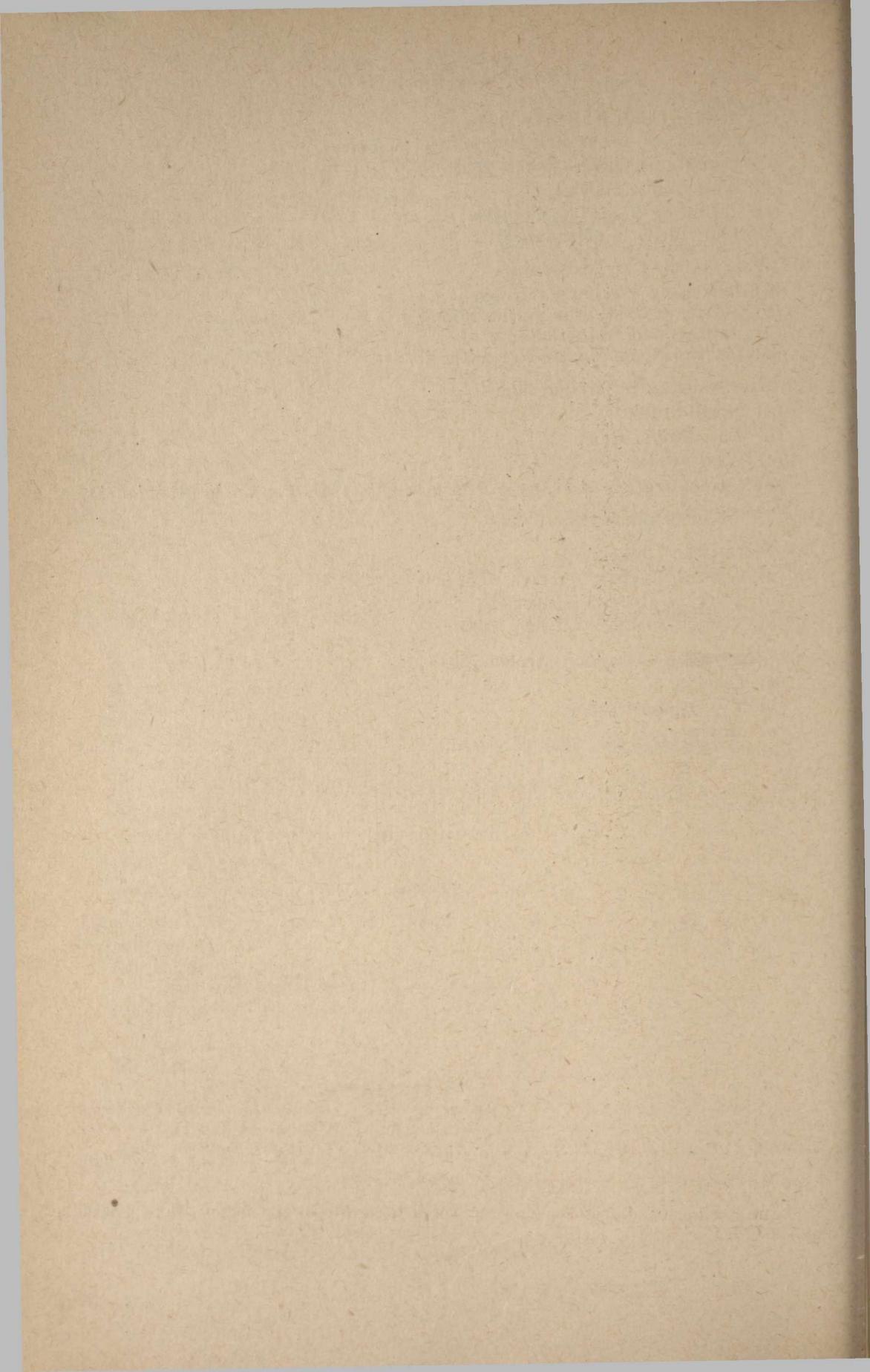
III—E. C. Stewart—R. Daveluy

IV—E. C. Stewart—R. Daveluy

IV—H. Audet—H. Morrison

- (2) Executive Offices—
Dr. Frigon's office—(room 1211)
- (3) West stairway to 11th floor—National Engineering Headquarters.
 - (a) Mr. Olive's office—(room 1113)
 - (b) Architectural Department and Drafting Room—(room 1150)
(Mr. D'Amboise in attendance).
- (4) East stairway to 10th floor—National Personnel and Administrative Services Headquarters.
 - (a) Center wing
 - (b) Colonel Landry's office—(room 1013)
 - (c) West wing offices.
- (5) West stairway to 9th floor—International Service Headquarters.
 - (a) Conference Room—(room 973)
(Mr. Delafield and I.S. group in attendance).
 - (b) Brazilian Section—(room 935)
(Mr. Oliveira in attendance).
- (6) West stairway to 8th floor—
 - (a) Czech group set-up—(room 816)
(Mr. Schmolka in attendance).
- (7) Elevator to 6th floor—
 - (a) Reference Library—(room 656)
(Mrs. J. Caron-Dupont in attendance).
 - (b) Telephone Equipment—(room 670)
- (8) Elevator to 3rd floor—
 - (a) Record Library—(room 324)
(Mr. Pelletier in attendance).
 - (b) Ventilation Equipment—West wing.
(Mr. Elliott in attendance).
- (9) East stairway to 2nd floor—
 - (a) Studios—North and East Block.
(Mr. Ste-Marie in attendance).
 - (b) Broadcast—North wing studios.
(Messrs. Peach and Arthur in attendance).

- (c) Master Control—(room 270)
(Messrs. Fournier and Hudon in attendance).
 - (d) Operations Office—(room 232)
 - (e) West Studio Block.
 - (f) Recording Room—(room 204).
(Mr. Little in attendance).
- (10) West stairway to Mezzanine—
- (a) Recording Equipment Room
 - (b) Master Control Equipment Room
 - (c) Ballasts and Battery Room
 - (d) Control Room No. 1—North Studio.
- (11) East stairway to Ground floor—
- (a) North Studio
 - (b) East Studio Block
 - (c) West Studio Block
 - (d) Demonstration of acoustic measurements (Mr. Penton in attendance).
- (12) TV Mobile Unit in yard.
- (13) Elevator to 7th floor—
- (a) Central Registry—(room 705)
 - (b) Teletype Room—(room 727)
 - (c) News Room—I.S.—(room 765)
- (14) Center wing—7th floor—(room 730)
- (a) Display
 - (b) TV Demonstration
 - (c) Movies



MINUTES OF PROCEEDINGS

THURSDAY, June 8, 1950.

The Special Committee on Radio Broadcasting met at 3.00 o'clock p.m.

Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Boisvert, Cote (*St. John-Iberville-Napierville*), Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Knight, Langlois (*Gaspé*), Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Robinson, Smith (*Moose-Mountain*), Stewart (*Winnipeg North*). (16).

From the *Canadian Broadcasting Corporation*:

In attendance: Messrs. A. D. Dunton, Augustin Frigon, G. Olive, E. L. Bushnell, C. R. Delafield, René Landry, H. Palmer, G. Young, H. Bramah, S. Schnobb, R. C. Fraser, G. W. Richardson.

From the *Department of Transport*:

In attendance: Mr. W. A. Caton.

The Chairman read a letter to the Clerk from the Secretary of the Board of Governors, forwarding copies of documents, (answers to questions), which were all distributed in advance, (*see list of documents in today's Evidence, letter of Mr. Palmer*).

It was agreed to incorporate the above in the record. (*See this day's Evidence*).

The Committee resumed its examination of the Canadian Broadcasting Corporation's financial operations.

Mr. A. D. Dunton was called and jointly examined with Messrs. Frigon, Bramah and Bushnell.

Messrs. Langlois and Richard successively presided in the absence of Mr. Maybank.

The Committee concluded its examination of C.B.C. finances generally.

At 5.55 p.m., Mr. Maybank presiding, the Committee adjourned until 8.30 p.m. this day.

EVENING SESSION

The Committee resumed at 8.30 in the evening.

Present: Messrs. Boisvert, Fleming, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Kent, Knight, Langlois (*Gaspé*), Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Robinson, Riley, Stewart (*Winnipeg North*). (14).

In attendance: Same as at the morning meeting.

The Committee began its study of the acquisition of the former Ford Hotel by the C.B.C.

Mr. Augustin Frigon was called and examined. He was assisted by Messrs. Olive and Bramah.

The witnesses tabled the following summary:—Notes on Radio Canada building in Montreal.

These notes were taken as read and incorporated in the record.

Dr. Frigon was questioned at some considerable length.

Mr. Langlois presided from 9.10 till 10.10 o'clock.

It was decided to hold a meeting on Friday, June 9, from 10.00 to 1.00 in the morning, and, if necessary, continue in the afternoon to conclude the Ford Hotel question and the examination of C.B.C. officials.

The Committee decided to hear the Officials of the Transport Department (Radio Division) during the week of June 12.

At 10.40 p.m., the Committee adjourned until Friday, June 9, at 10.00 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
Thursday, June 8, 1950.

The Special Committee appointed to inquire into Radio Broadcasting met this day at 3 p.m. The Chairman, Mr. Ralph Maybank, presided.

The CHAIRMAN: I see a quorum. First of all, gentlemen, I shall make a remark with reference to certain material. What I am going to read need not be taken down and I suggest that this letter go into the record. This is a letter addressed to Mr. Plouffe, the clerk, and reads as follows:

CANADIAN BROADCASTING CORPORATION

OTTAWA, June 8, 1950.

Dear Mr. PLOUFFE:

I am forwarding herewith 40 copies of further material requested by Mr. Fleming at last week's sessions of the Radio Committee. This material can be identified as follows:

- (1) Speakers Heard in Regularly Scheduled CBC Commentaries
- (2) Contributions to CBC News Roundup
- (3) CBC Expenditures by Department and Object, 1st April 1950 to 31st March 1951
- (4) Statement of Revenues and Expenditures, 1936 to 1950
- (5) International Service 1950-51 Estimates broken down in manner and extent as follows:
 - (a) Acquisition and Alterations: Equipment, Land and Structures
 - (b) Travelling, Removal Expenses and Duty Entertainment
 - (c) General Operating Overhead
 - (d) Rental of Accommodation.

Yours sincerely,

(Sgd.) HUGH PALMER,

Secretary, Board of Governors.

I am suggesting that this letter be placed on the record so as to most accurately identify the things referred to. Those things referred to have been distributed, and they are as follows:

SPEAKERS HEARD IN REGULARLY SCHEDULED CBC COMMENTARIES IN CANADA

JUNE 1, 1949—MAY 31, 1950

	<i>No. of occasions</i>
J. B. McGeachy, associate editor, <i>The Globe and Mail</i>	16
George Ferguson, editor, <i>Montreal Star</i>	16
Hugh Boyd, Ottawa correspondent, <i>Winnipeg, Free Press</i>	15
Warren Baldwin, Ottawa correspondent, <i>Toronto, Globe and Mail</i>	12
Anne Francis, free-lance broadcaster.....	12
Burton Keirstead, professor of economics, McGill University.....	9
Robert McKeown, correspondent for <i>The Standard</i> , Montreal.....	6
Robert McKenzie, Lecturer, London School of Economics; summer lecturer, University of British Columbia.....	3

No. of occasions

Ronald Grantham, editorial department, Ottawa, <i>Citizen</i>	2
William Morton, professor of history, University of Manitoba.....	2
B. T. Richardson, managing editor, Ottawa, <i>Citizen</i>	2
Allan Fraser, professor of history, Memorial College University, of St. John's...	1
Wilfrid Eggleston, Carleton College School of Journalism; contributing editor, <i>Saturday Night</i>	1

SPEAKERS HEARD IN REGULARLY SCHEDULED COMMENTARIES FROM GREAT BRITAIN AND OVERSEAS

JUNE 1, 1949—MAY 31, 1950

No. of occasions

Matthew Halton, CBC European correspondent.....	27
Robert McKenzie, a Canadian, now lecturer in the London School of Economics.	26
Graham Hutton, barrister; formerly assistant editor of "The Economist".....	22
Harold Hutchinson, Industrial Correspondent, London, <i>Daily Mirror</i>	15
Francis Boyd, parliamentary correspondent, <i>Manchester Guardian</i>	15
William Clark, member of the editorial staff of the <i>Observer</i>	12
George Darling, formerly industrial correspondent for the BBC; now a Labour M.P.	11
Harold Nicolson, diplomat and historian; Governor of the BBC 1941-46; regular contributor to the London <i>Spectator</i>	10
A. J. P. Taylor, historian and fellow at Magdalen College, Oxford.....	8
Milton Shulman, a Canadian now with the London <i>Evening Standard</i>	5
David Raymond, foreign editor of <i>Reynold's News</i>	5
Peter Inglis, London correspondent for Southam newspapers.....	3
Charles Ronsac, foreign editor for "Le Francireur", a Paris daily.....	3
Peter Stursberg, former CBC war correspondent and correspondent for the London <i>Daily Herald</i>	2
Albert Shea, Unesco fellow now in Paris; former assistant professor of political science, University of Manitoba.....	2
Robert McKeown, correspondent for the <i>Montreal Standard</i> , who spent a few months in Europe.	2
Gerald Clark, correspondent for the <i>Montreal Standard</i> who reported on his visit to Hong Kong.	2
Herbert Steinhouse, free-lance journalist reporting from various European countries.	2
Kingsley Martin, editor of the <i>New Statesman and Nation</i>	2
Warren Baldwin, correspondent for the Toronto <i>Globe and Mail</i> , who commented at the time of the British elections.....	1
B. T. Richardson, managing editor of the Ottawa <i>Citizen</i> , who also commented on the British election.....	1
Gerard Fay, on the London staff of the <i>Manchester Guardian</i>	1
Peter Niven.	1
Donald McLachlan, foreign affairs editor of <i>The Economist</i>	1
Roy Harrod, lecturer in economics at Oxford University.....	1
Macdonald Hastings, editor of the late <i>Strand Magazine</i>	1
Vernon Bartlett, former member of Parliament (Independent).....	1
A. G. S. Griffin, executive secretary of the Canadian Dollar-Sterling Trade Board.	1

SPEAKERS HEARD IN REGULARLY SCHEDULED COMMENTARIES FROM THE U.S.A.

JUNE 1, 1949—MAY 31, 1950

No. of occasions

King Gordon, CBC correspondent, Lake Success.....	46
Elie Abel, U.N. correspondent for the <i>New York Times</i>	41
Thomas J. Hamilton, <i>New York Times</i> U.N. correspondent.....	41
Walter O'Hearn, <i>Montreal Standard</i> U.N. correspondent.....	38
John Rogers, <i>New York Herald-Tribune</i> U.N. correspondent.....	20
A. M. Rosenthal, <i>New York Times</i> U.N. correspondent.....	16
Alexander Uhl, free-lance journalist and broadcaster.....	16
Charles Nichols, Washington correspondent for Southam newspapers.....	11
Max Freedman, Washington correspondent for the <i>Winnipeg Free Press</i>	11
Leon Edel, U.N. correspondent for the <i>New York Daily Compass</i>	7
Thomas Reynolds, Washington correspondent for the <i>Chicago Sun-Times</i>	3
Norman Altstedter, Canadian Press U.N. correspondent.....	3
Homer Metz, <i>Christian Science Monitor</i>	1
Peter Kihss, <i>New York Herald-Tribune</i> U.N. correspondent.....	1

CONTRIBUTIONS TO CBC NEWS ROUNDUP

APRIL 1st—NOVEMBER 30th, 1949.

(No Roundups were aired during July and August)

CANADA

	<i>No. of Reports</i>
Wilson Woodside, Foreign Editor, <i>Saturday Night</i>	22
Blair Fraser, Ottawa Editor, <i>Maclean's Magazine</i>	25
Pat Keatley, <i>Vancouver Sun</i>	12
Graham Allan, Halifax, <i>Chronicle-Herald</i>	12
Frank Doyle, Halifax, <i>Chronicle-Herald</i>	7
Herc Munro, Vancouver, <i>Province</i>	7
James Nesbitt, Vancouver, <i>News-Herald</i>	2
Peter Dempson, Toronto, <i>Telegram</i>	3
Robert McKeown, <i>The Standard</i>	3
Joseph McSween, Canadian Press, St. John's, Nfld.....	3
Albert Gerin-Lajoie, Quebec, <i>Chronicle-Telegraph</i>	4
John Le Blanc, Canadian Press, Ottawa.....	2
Peter McGillen, Toronto, <i>Telegram</i>	2
Gerald Waring, <i>The Standard</i>	9
Hugh Boyd, Winnipeg, <i>Free Press</i>	2
Lloyd Turner, Vancouver, <i>Province</i>	2
Frank Swanson, Ottawa, <i>Citizen</i>	8
Ian Sclanders, St. John, <i>Telegraph-Journal</i>	3
Ross Munro, Southam Newspapers.....	5

One Occasion:

- Kenneth Wilson, *Financial Post*
- Andrew Snadden, *Calgary Herald*
- Don O'Hearn, *Saturday Night*
- Devon Smith, Canadian Dow-Jones
- John Bird, Southam Newspapers
- Carlyle Allison, Winnipeg, *Tribune*
- Bruce McKinnon, Maclean-Hunter Publishing Co.
- Rupert Jackson, St. John's, *Telegram*, Newfoundland.

UNITED KINGDOM AND PARIS

Matthew Halton, C.B.C.....	50
Peter Inglis, Southam Newspapers.....	5
Jane Armstrong, Toronto, <i>Telegram</i>	8
Gerard Fay, <i>Manchester Guardian</i>	15
Peter Stursberg, <i>Daily Herald</i>	4
Robert Mackenzie, London School of Economics.....	4

One Occasion:

- Floyd Chalmers, Maclean-Hunter Publishing Co.
- Robertson Davies, Peterboro, *Examiner*
- Michael Wilson, *Daily Express*

UNITED STATES

J. M. Minifie, New York, <i>Herald-Tribune</i> , Washington.....	42
Raymond Blair, New York, <i>Herald-Tribune</i> , Washington.....	5
J. King Gordon, C.B.C., Lake Success.....	29
L. L. L. Golden, New York (formerly <i>Globe and Mail</i>).....	1

CONTRIBUTIONS TO C.B.C. NEWS ROUNDUP

DECEMBER 1st, 1949—MAY 31st, 1950

CANADA

No. of Reports

Wilson Woodside, Foreign Editor, <i>Saturday Night</i>	28
Blair Fraser, Ottawa Editor, <i>Maclean's Magazine</i>	35
Pat Keatley, Vancouver, <i>Sun</i>	18
Graham Allan, Halifax, <i>Chronicle-Herald</i>	3
Frank Doyle, Halifax, <i>Chronicle-Herald</i>	11
Herc Munro, Vancouver, <i>Province</i>	5
James Nesbitt, Vancouver, <i>News-Herald</i>	5
Peter Dempson, Toronto, <i>Telegram</i>	4
Robert McKeown, <i>The Standard</i>	7
Gerald Waring, <i>The Standard</i>	14
Hugh Boyd, Winnipeg, <i>Free Press</i>	6
Frank Swanson, Ottawa, <i>Citizen</i>	11

No. of Reports

Ross Munro, Southam Newspapers.....	11
Andrew Snadden, Calgary, <i>Herald</i>	5
Don O'Hearn, <i>Saturday Night</i>	2
Devon Smith, Canadian Dow-Jones.....	8
Rupert Jackson, St. John's, <i>Telegram</i> , Newfoundland.....	6
Warren Baldwin, <i>Globe and Mail</i>	2
Joseph McSween, Canadian Press, St. John's, Nfld.....	2
Don Jamieson, <i>Sunday Herald</i> , St. John's, Nfld.....	6
J. B. McGeachie, <i>Globe and Mail</i>	6

One Occasion:

Ian Selanders, St. John, <i>Telegraph-Journal</i>
Lloyd Turner, Vancouver, <i>Province</i>
R. McEachran, <i>Financial Post</i>
Kenneth Wilson, <i>Financial Post</i>
B. T. Richardson, Ottawa, <i>Citizen</i> .

UNITED KINGDOM AND PARIS

Matthew Halton, C.B.C.....	70
Gerard Fay, <i>Manchester Guardian</i>	11
Robert Mackenzie, London School of Economics.....	12
Jane Armstrong, Toronto, <i>Telegram</i>	5
Michael Wilson, <i>Daily Express</i>	4

One Occasion:

Peter Stursberg, <i>Daily Herald</i>
B. T. Richardson, Ottawa, <i>Citizen</i>
Warren Baldwin, <i>Globe and Mail</i>
Frank Walker, Winnipeg, <i>Free Press</i> .

UNITED STATES

J. M. Minifie, New York, <i>Herald-Tribune</i> , Washington.....	43
L. L. L. Golden, New York (formerly <i>Globe and Mail</i>).....	8
J. King Gordon, C.B.C., Lake Success.....	5
Walter O'Hearn, Montreal, <i>Star</i> , Lake Success.....	8

CANADIAN BROADCASTING CORPORATION

EXPENDITURES BY DEPARTMENT AND OBJECT

1st April, 1950, to 31st March, 1951

(TENTATIVE)

	Administration		Engineering		Programme		Press and Information		Commercial		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Advertisements.....	200	00	100	00	500	00	28,700	00	10,000	00	39,500	00
Artists' Fees.....					1,719,500	00			500	00	1,720,000	00
Announcers, Producers, etc., Services.....					1,000	00					1,000	00
Automobile Expenses.....			12,000	00							12,000	00
Displays and Exhibits.....							7,500	00			7,500	00
Duty Entertainment.....	7,500	00	400	00	5,500	00	2,500	00	1,200	00	17,100	00
Exchange.....					1,500	00					1,500	00
Donations and Prize Money.....	500	00	100	00	25,000	00	400	00			26,000	00
Freight, Express and Cartage.....			25,000	00							25,000	00
Fuel.....			15,000	00							15,000	00
News-Press Service.....					148,000	00					148,000	00
Honoraria.....	6,300	00			500	00					6,800	00
Incidentals.....	1,750	00			3,500	00	2,500	00	600	00	8,350	00
Insurance.....	1,550	00	19,000	00	8,000	00	400	00	500	00	29,450	00
Light and Power.....			131,000	00							131,000	00
Local Loops.....					25,000	00			100	00	25,100	00
Local Trans., Car Fare, Taxis, etc.....	100	00	1,200	00	5,000	00	450	00	500	00	7,250	00
Maintenance—												
Technical Equipment.....			45,000	00							45,000	00
Buildings and Grounds.....			53,000	00							53,000	00
General.....			53,400	00							53,400	00
Tubes.....			56,400	00							56,400	00
Membership Fees.....	150	00	350	00	1,000	00	300	00	500	00	2,300	00
Maintenance—												
Musical Instruments.....					7,000	00					7,000	00
Music.....					50,000	00					50,000	00
Manuscripts and Plays.....					60,000	00	1,500	00			61,500	00
Carried Forward.....	18,050	00	411,950	00	2,061,000	00	44,250	00	13,900	00	2,549,150	00

CANADIAN BROADCASTING CORPORATION
EXPENDITURES BY DEPARTMENT AND OBJECT—*Concluded*
1st April, 1950, to 31st March, 1951
(TENTATIVE)

	Administration		Engineering		Programme		Press and Information		Commercial		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Brought Forward.....	18,050	00	411,950	00	2,061,000	00	44,250	00	13,900	00	2,549,150	00
Photographic.....	3,605	00	400	00	500	00	31,850	00	800	00	37,155	00
Paper, Periodicals and Magazines.....	725	00	1,200	00	3,000	00	2,700	00	400	00	8,025	00
Performing Rights.....					333,000	00					333,000	00
Blue Prints.....			4,000	00					400	00	4,400	00
Postage and Excise.....	5,000	00	1,800	00	12,500	00	17,000	00	2,000	00	38,300	00
Printing and Stationery.....	21,000	00	6,000	00	60,000	00	104,300	00	10,000	00	201,300	00
Professional Fees and Legal Expenses.....	7,500	00	1,000	00	3,000	00					11,500	00
Listeners' Surveys.....					1,000	00	500	00	24,000	00	25,500	00
Records.....			2,500	00	55,000	00			1,500	00	59,000	00
Recording Blanks.....			300	00	35,000	00			2,500	00	37,800	00
Removal Expenses.....	5,000	00	2,700	00	7,000	00			750	00	15,450	00
Rental of Buildings or Floor Space.....	34,690	00	50,750	00	198,560	00					284,000	00
Rental of Equipment.....	9,000	00	700	00	4,000	00	300	00	100	00	14,100	00
Rental of Halls and Studios.....					5,000	00			1,000	00	6,000	00
Rental of Musical Instruments.....					2,500	00					2,500	00
Superannuation.....	21,125	00	86,175	00	109,775	00	7,675	00	9,250	00	234,000	00
Salaries—Personnel only.....	321,760	00	1,142,282	00	1,635,238	00	116,210	00	141,170	00	3,356,660	00
Secretarial and Casual Wages.....	3,000	00	91,300	00	29,700	00	500	00	500	00	125,000	00
Station Charges—Programme Transmissions.....			5,500	00	3,000	00					8,500	00
Overhead Expenses—Projects.....			Cr. 83,000	00							Cr. 83,000	00
Station Lines—Studio to Transmitter.....			89,000	00							89,000	00
Teletype Service.....	2,400	00	1,500	00	21,500	00	500	00	500	00	26,400	00
Taxes, Water Rates and Services.....			4,000	00							4,000	00
Telegraphs and Cables.....	800	00	900	00	25,000	00	1,500	00	5,500	00	33,700	00
Telephones.....	5,060	00	8,000	00	45,000	00	2,500	00	5,000	00	65,560	00
Travelling.....	29,000	00	25,000	00	80,000	00	7,000	00	6,000	00	147,000	00
Improvements to Leased Properties.....			68,000	00							68,000	00
	487,715	00	1,921,957	00	4,730,273	00	336,785	00	225,270	00	7,702,000	00

SUMMARY

Expenditures as above.....	7,702,000	00
Add—Transmission Lines.....	1,150,000	00
Interest on Loans.....	230,000	00
Total.....	<u>\$9,082,000</u>	00

CANADIAN BROADCASTING CORPORATION

STATEMENT OF REVENUES AND EXPENDITURES

2nd November, 1936, to 31st March, 1950

Year ended 31st March			<i>Surplus</i>	<i>Deficit</i>
1937 (five months only)	<i>Revenues—</i>			
	Licence Fees.....	\$ 741,666.65		
	Commercial.....	95,332.50		
	Miscellaneous.....	\$ 836,999.15		
	<i>Expenditures—</i>			
	Ordinary.....	\$ 708,179.40		
	Depreciation.....	\$ 708,179.40	\$128,819.75	
1938	<i>Revenues—</i>			
	Licence Fees.....	\$1,896,812.64		
	Commercial.....	355,919.65		
	Miscellaneous.....	1,003.00	\$2,253,735.29	
	<i>Expenditures—</i>			
	Ordinary.....	\$2,058,264.64		
	Depreciation.....	106,848.09	2,165,110.73	88,624.56
1939	<i>Revenues—</i>			
	Licence Fees.....	\$2,652,186.15		
	Commercial.....	641,680.09		
	Miscellaneous.....	17,574.31	\$3,311,440.55	
	<i>Expenditures—</i>			
	Ordinary.....	\$2,751,172.33		
	Depreciation.....	202,814.01	2,953,986.34	357,454.21
Year ended 31st March 1940	<i>Revenues</i>			
	Licence Fees.....	\$2,906,605.28		
	Commercial.....	773,521.89		
	Miscellaneous.....	71,934.72	\$3,752,061.89	
	<i>Expenditures—</i>			
	Ordinary.....	\$3,181,797.40		
	Depreciation.....	316,274.34	3,498,071.74	\$253,990.15
1941	<i>Revenues—</i>			
	Licence Fees.....	\$3,140,259.79		
	Commercial.....	939,713.99		
	Miscellaneous.....	12,820.80	\$4,092,794.58	
	<i>Expenditures—</i>			
	Ordinary.....	\$3,544,629.56		
	Depreciation.....	364,580.10	3,909,209.66	183,584.92
1942	<i>Revenues—</i>			
	Licence Fees.....	\$3,485,331.92		
	Commercial.....	1,057,664.31		
	Miscellaneous.....	19,043.90	\$4,562,040.13	
	<i>Expenditures—</i>			
	Ordinary.....	\$3,873,137.41		
	Depreciation.....	389,581.36	4,262,718.77	299,321.36
Year ended 31st March 1943	<i>Revenues—</i>			
	Licence Fees.....	\$3,701,690.24		
	Commercial.....	1,243,553.08		
	Miscellaneous.....	25,026.27	\$4,970,269.59	

CANADIAN BROADCASTING CORPORATION

STATEMENT OF REVENUES AND EXPENDITURES—Continued

Year ended 31st March 1942—Conc.			<i>Surplus</i>	<i>Deficit</i>
	<i>Expenditures—</i>			
	Ordinary.....	\$4,328,763.20		
	Depreciation.....	411,244.83		
		<u>4,740,008.03</u>		
			\$230,261.56	
1944	<i>Revenues—</i>			
	Licence Fees.....	\$3,787,886.51		
	Commercial.....	1,421,906.61		
	Miscellaneous.....	22,248.62		
		<u>\$5,232,041.74</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$4,925,641.62		
	Depreciation.....	217,223.82		
		<u>5,142,865.44</u>		
			89,176.30	
1945	<i>Revenues—</i>			
	Licence Fees.....	\$3,783,452.62		
	Commercial.....	1,639,159.97		
	Miscellaneous.....	75,785.24		
		<u>\$5,498,397.83</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$5,343,486.32		
	Depreciation.....	227,658.60		
		<u>5,571,144.92</u>		
			\$72,747.09	
Year ended 31st March 1946	<i>Revenues</i>			
	Licence Fees.....	\$3,773,284.76		
	Commercial.....	1,683,838.38		
	Miscellaneous.....	97,331.22		
		<u>\$5,554,454.36</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$5,632,880.09		
	Depreciation.....	5,632,880.09		
		<u>5,632,880.09</u>		
			\$ 78,425.73	
1947	<i>Revenues—</i>			
	Licence Fees.....	\$3,905,841.17		
	Commercial.....	1,781,290.24		
	Miscellaneous.....	115,896.64		
		<u>\$ 5,803,028.05</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$5,830,289.14		
	Depreciation.....	5,830,289.14		
		<u>5,830,289.14</u>		
			\$ 27,261.09	
1948	<i>Revenues—</i>			
	Licence Fees.....	\$4,798,291.11		
	Commercial.....	1,842,558.29		
	Miscellaneous.....	95,914.33		
		<u>\$6,736,763.73</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$6,348,393.71		
	Depreciation.....	172,309.15		
		<u>6,520,702.86</u>		
			\$216,060.87	

CANADIAN BROADCASTING CORPORATION,
STATEMENT OF REVENUES AND EXPENDITURES—*Concluded*
2nd November, 1936 to 31st March, 1950—*Concluded*

Year ended 31st March 1949	<i>Revenues</i>		<i>Surplus</i>	<i>Deficit</i>
	Licence Fees.....	\$5,135,374.65		
	Commercial.....	2,217,129.91		
	Miscellaneous.....	200,709.24		
		<u>\$7,553,213.80</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$7,399,820.40		
	Depreciation.....	196,843.25		
		<u>7,596,663.65</u>		
				\$ 43,449.85
1950 (Tentative figures only)	<i>Revenues—</i>			
	Licence Fees.....	\$5,481,000.00		
	Commercial.....	2,368,000.00		
	Miscellaneous.....	149,000.00		
		<u>\$7,998,000.00</u>		
	<i>Expenditures—</i>			
	Ordinary.....	\$8,029,000.00		
	Depreciation.....	211,000.00		
		<u>8,240,000.00</u>		
				242,000.00

NOTE: April 1st, 1938—Licence Fees increased from \$2.00 to \$2.50 for electric sets only. Battery sets remaining at \$2.00.

April 1st, 1947—Effective this date paragraph (a) sub-section one of section fourteen of Canadian Broadcasting Act, 1936, amended as follows:

“The gross amount of the monies received in each year from licence fees in respect of private receiving licences and private stations broadcasting licences without deducting therefrom any costs of collection or administration.”

April 1st, 1949—Figures include Newfoundland Revenue and Expenditures.

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SERVICE

1950/51 Estimates

Acquisition and Alterations: Equipment, Land and Structures

Radio-Canada Building Project (This amount covers the transfer of Capital Funds during the year 1949/50 from the Radio-Canada Bldg. project in order to replace rotted wooden poles with steel towers in the medium gain arrays at the Sackville transmitter plant)	\$ 65,000
Recording Equipment—Montreal	25,000
Miscellaneous Equipment	10,000
	<u>100,000</u>
Supervision charges—5% of above	5,000
	<u>\$105,000</u>

SPECIAL COMMITTEE

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SERVICE

1950/51 Estimates

Travelling, Removal Expenses and Duty Entertainment

Travelling	\$ 45,000
Removal	5,000
Duty Entertainment	5,000
	<hr/>
	\$ 55,000
	<hr/> <hr/>

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SERVICE

1950/51 Estimates

General Operating Overhead

Fuel	\$ 19,500
Insurance	4,500
Audience Research	10,000
Miscellaneous	40,000
Papers, Periodicals and Magazines	6,000
Photographic and Blue Prints	13,000
Records and Transcriptions	20,000
Recording Blanks and Tapes	25,000
	<hr/>
	\$138,000
	<hr/> <hr/>

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SERVICE

1950/51 Estimates

Rental of Accommodation

Montreal—Crescent St. Premises	\$ 3,500
Montreal—Bishop St. Premises	1,700
Pacific Coast Receiving Station	900
Rental of Halls	4,900
	<hr/>
	\$11,000
	<hr/> <hr/>

The CHAIRMAN: I received some statements I know, a short time ago, and Mr. Plouffe has just been identifying them with the items on that letter, so I presume everybody else has this information too.

Now, there will be the question about the printing of these several papers which have been referred to in that letter and perhaps it would be as well if we decide now that right underneath the letter these several things referred to in the letter will appear in the record. Is that agreeable?

Some Hon. MEMBERS: Agreed.

Mr. STEWART: I am not sure that we need everything in that on the record.

The CHAIRMAN: My reason for saying it that way is that these statements are not very lengthy, they are not the same as those we had the other day.

Mr. STEWART: All right then, I have no objection.

Mr. FLEMING: They are only really statements relating to questions of expenditure.

The CHAIRMAN: Then, if there is no objection, I would give the direction that they be so entered.

Now, gentlemen, when we stopped the other day we were on the subject of finances, and I am speaking from memory when I say that we took the question of finances first respecting the headquarters in Montreal, the Ford Hotel, its acquisition, transformation and so on, and questions respecting the international services, and questions which had to be asked of the Department of Transport. I think those are the things that we have in front of us yet. We will continue our questioning which relates to or arises out of the various financial statements we now have in front of us.

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

The WITNESS: May I now refer, Mr. Chairman, to the other material not mentioned by the letter. That was requests for reports from the private stations in Winnipeg on their activities during the flood. We have received replies from Stations CKRC and CKY. Copies of those statements are available here in mimeographed form for distribution to the members.

The CHAIRMAN: You have nothing from CJOB?

The WITNESS: We understand it is coming very shortly.

The CHAIRMAN: Then there is the St. Boniface station out there too.

Mr. STEWART: Yes.

The WITNESS: We haven't heard from them either.

The CHAIRMAN: I have not been able to read these reports yet, I just saw them, but I have no doubt that we will want them on the record the same as we have the one from CBW. Is that agreed?

Some Hon. MEMBERS: Agreed.

REPORT OF CKRC

FREE PRESS BUILDING,
WINNIPEG, MANITOBA.

May 31, 1950.

Mr. GEORGE YOUNG,
Director, Station Relations,
Canadian Broadcasting Corporation,
354 Jarvis Street,
Toronto, Ontario.

Dear GEORGE:

This will acknowledge your telegram of May 26th advising us of Mr. Maybank's comments to the Parliamentary Committee on Radio, and asking for the

"complete" story of our activities in connection with the flood situation in Winnipeg. How in the world we are ever going to tell you the complete story I'll never know, because we did so many things and there were so many people doing them, that I'm sure no one knows the complete story.

However, we'll try to summarize for you as briefly as possible what happened as the situation developed. First of all, CKRC was in a particularly vulnerable position since our transmitting plant is at St. Norbert and pretty close to the Red River. We knew that if the flood went very far past the 1948 level it would be approaching our towers, and accordingly we made very early arrangements to protect our 400 foot tower. We thought these arrangements were adequate, since they provided for the fact that the flood might go three feet above the 1948 level. That just shows how wrong you can be.

As the waters continued to rise we rushed further sandbags and men to the transmitter to build our dikes higher around this tower, but the waters rose so fast and so far that it was necessary to transport the sandbags by boat to the base of the tower. For some days we had six boats and twenty-five men trying to keep pace with the rising Red River, which completely surrounded the tower. Eventually, of course, the water got ahead of us and we had to abandon the stronghold we had built at the tower's base. We climbed the tower and dropped a piece of wire, shifting our defences to the transmitter building itself, which, although some three feet higher than the base of the tower, was now being threatened. Meanwhile we continued to broadcast on the shuntfed rig that our engineers had designed, using the wire that was suspended from the tower.

To make a long story short, we later had to abandon the building itself, although we managed to hold on there for five more days. The enclosed newspaper clipping (1) tells that story in a rather highly dramatized fashion, but quite factually. In the meantime we had rushed from Regina another transmitter and crew of engineers. This had been installed on the sixth floor of the Free Press Bldg., in downtown Winnipeg, so that when we had to finally abandon our transmitter at St. Norbert we were able to continue broadcasting from the emergency transmitter. We had, at the same time, arranged for an emergency power generator to be shipped to us from Calgary, and had purchased an emergency power plant to supply our studios. Now we were completely prepared for any emergency, unless we had been ordered to evacuate the Free Press Building as well.

We were advised by the Flood Control authorities that this was possible so we made arrangements for another transmitter to be set up at Stevenson Field, on the western outskirts of Winnipeg. This is still there, but fortunately we never had to use it.

That's the story of our technical troubles. With regard to our broadcasting activities, this is how we operated. It was suggested that it would be wise to keep our regular schedule of popular programs on the air as much as we could, to avoid a feeling of panic at the less of familiar things. We, therefore, announced frequently that we would do this, but that we would interrupt any program at any time for urgent bulletins from Flood Headquarters, any news item or emergency message. Of course, we did this frequently, and we interrupted anything to do it.

As the situation grew worse, and the evacuations began, we were flooded with thousands of requests to locate missing persons, and then we really went to work. You will understand that we were somewhat handicapped by the fact that many of our people were necessarily absent, fighting to save their own homes, or to get their families out of danger. We recruited what help we could find in Winnipeg and when the gaps in our staff were too wide, we brought people in from other cities to fill them.

We carried on our regular programs and set up a complete Flood Crisis staff to operate twenty-four hours a day—three eight-hour shifts of ten people

each, with an executive of the station in charge of each operation. Part of this staff looked after the telephones and the other looked after the newsroom. By this means the entire flood picture was put together and super-imposed right over our regular schedule, interrupting programs whenever necessary. Of course, there were times when the urgent flood bulletins and personal messages continued for over an hour without a break. It was, however, a smooth-working operation and conducted with a minimum of confusion.

It was necessary that great care be taken to prevent the broadcasting of unauthorized messages asking for volunteers at a specific dike, or ordering evacuations, so a daily code word was sent up by the Flood Control in order that we could identify them without question on the telephone, and accept this type of message only from them. A copy of Brigadier Morton's memo (2) in this respect is attached, and will explain itself.

One of the earliest efforts we made in the situation was the organizing with the Moore's Taxi Company here in Winnipeg, of a systematic way of getting workers to the place where they were most needed. The attached clipping from the *Free Press* (3) tells that story also. I think it is worth noting that Moore's Taxi, one of our sponsors, provided this service free of charge and it must have cost them thousands of dollars.

There are so many things of this type to tell that I'm afraid the Parliamentary Committee would have to take a lot of time to read them. Another is the story of the telegraph companies and what they call their "impossibles" . . . telegrams addressed to people whom they could not find. They told us of their problem and soon we had a bulletin service running, telling these people that telegrams were waiting for them at the telegraph offices. The telegraph companies tell us that we located thousands of these people for them and saved them from utter confusion.

About this time, Flood Control began to worry about the possibility of losing the broadcasting stations and asked us to assess our resources and tell them how long we were prepared to carry on should the situation continue to get worse. All the broadcasting stations met, therefore, and we were able to send the attached memorandum (4) to Flood Control Headquarters. The city network mentioned in this memorandum was used on numerous occasions and proved to be very useful.

That's the story. I have been telling you about CKRC, but with variations of method, it could easily be the story of any station in Winnipeg at this time. The type of messages broadcast, in addition to evacuation orders, were calls for dike workers, notices of cancellations of normal activities such as schools, meetings, and so on, personal messages to people who had become lost during evacuations, appeals for Red Cross workers. Included also were messages by civic authorities such as the health department, city engineers department and so on.

CKRC is the Dominion network outlet in Winnipeg, so in addition to the local broadcasting activities outlined here, we had to continue to discharge our responsibilities to the network. If we had to interrupt a network program ourselves on CKRC, very frequently we were in the process of delaying this program to the Western network, and this sort of thing had to be carried on without interruption. In addition, several broadcasters from Eastern Canada and from the United States made CKRC their headquarters, and used our facilities to originate broadcasts for their own stations or networks.

Our News Editor, Ev. Dutton, in addition to his very onerous duties here, found time to broadcast a daily five-minute commentary to the nation-wide Dominion network. This was well received.

As the flood crisis eased, or at least stopped getting worse, we turned our attention to the Manitoba Flood Relief Fund, and at this writing have raised something over \$11,000 for the fund.

We also prepared for the Flood Relief Committee, several short actuality programs to assist the Flood Relief Fund. These were recorded and shipped to other Canadian stations to help in the work of raising money.

As you can see, there is no end to this kind of story, but I think I have said enough to give you a fair picture of the kind of thing that was done. Most of the broadcasters with whom I have talked in Winnipeg, and that includes the members of our own staff, are very pleased but somewhat amazed at the nice things that have been said about us. We do feel, however, that community broadcasting has once again demonstrated its importance, and its ability to discharge its responsibilities.

Yours sincerely,

BROADCASTING STATION CKRC,

(sgd.) Wm. A. SPEERS,

Manager.

May 13, 1950.

NINE-DAY BATTLE ENDS FOR THREE RADIO MEN

Written for the Canadian Press By Bert Hooper

I'm so tired I can hardly talk. I just came in from radio station CKRC's transmitter.

My two assistants and I were marooned out there for nine days by the Red river flood. We'd been trying to protect the transmitter and the building but the flood was too much for us.

It's in St. Vital, just east of the Red River. It's the only place above water in a huge lake.

We started sandbagging our own place and trying to keep the station operating on a 24-hour basis. But before we finished we were a clearing house for refugees, a supply centre, and a dock for navy ducks.

The whole area is desolated. Many of the people are mink or fox farmers. Most of them were wiped out.

Their barns and houses were up to the eaves. They lived in lofts, trying to keep their animals. Most of them ended by shooting them. When they ran out of ammunition they strangled the animals with handling hooks.

We saw all kinds of things that were tragic, but some were almost funny.

Friday, just before we left on the nine-mile boat trip to Winnipeg, we saw a whole string of boats coming down St. Mary's avenue. It looked like a canoe race. There were women, children, dogs, and chickens in the boats.

Paddled Horse Trough

Behind was an old fellow in a horse trough, paddling it with a shovel. I laughed like it was a big joke, but I guess it wasn't funny to him.

Our own place is a mess. We built a dike around it and the transmitter, but there's water behind it now. We pulled all the switches, then let the water into the basement and ran like blazes.

The nine-foot basement filled in a couple of minutes.

My crew of 19 sandbaggers got out early. Two assistant engineers and I stayed on. We had lots of food—its still stacked away up above the equipment. We brought some back for the Red Cross.

The navy brought people in to us in their ducks. We fed them and they moved on. I must have made a hundred gallons of coffee.

We loaded about 3,000 pounds of radio equipment and ourselves into a boat with an outboard motor and started for town. We towed a kayak that a Japanese gave us.

Outhouses, parts of bridges, dead mink and dead mice floated all around us.

We saw cows and horses in barns with just their heads above water. Dogs on dry places were howling their heads off. That's an awful noise to listen to for eight nights.

I never saw such desolation.

Beds All Made Up

We passed some lovely big houses. Through the big front-room windows you could see living-room furniture—good stuff—floating around.

We floated right up to bedroom windows, on the top floors, and saw beds all made up, just like everyone was still home. There wasn't a soul for miles. We got one dog out of an upstairs window.

Some houses were right off their foundations, toppled over.

I think the worst thing, though, was an old man near the station. He was living in his loft—no stock, no nothing. But he wasn't leaving.

He said: "This is all I've got."

I guess he's too old to start over.

May 13, 1950.

RADIO STATIONS ON AIR EIGHT DAYS CONTINUOUSLY

It was eight days ago—a week Friday night—that Winnipeggers realized the flood had become critical, that it was no longer a matter of mere localities hit in widely separated areas.

That night, Winnipeg's five radio stations threw regular broadcasting hours out the window, instituted round-the-clock schedules and switched all their facilities into the battle of the flood.

The night started quietly with a few flood messages going out. The tempo increased—almost in direct proportion to the torrent of rain which slashed at the city.

That was the night the Wildwood like gave way and evacuation was ordered.

Volunteers Called

The flood messages built up. Volunteers were called. Food for dike workers was requested. Evacuation plans went out and the radio stations went on 24-hour duty.

Except for flood breakdowns, they have not been off the air since.

The stations tied in directly with flood control headquarters. All program schedules were broken for announcements. Advertisers surrendered air time for messages. Flood control officers were given top priority and universal facilities for special broadcasts.

The other messages continued: urgent calls for volunteers; appeals for food; requests for cars—and when the situation grew more critical—thousands of personal calls.

Messages Vary

These have included offers for accommodation from relatives all across Canada, long lists of telegrams piling up for untraceable Manitobans, pleas for

dike workers to return home—to evacuate their own families—and for teenagers whose parents have not seen them in days.

Each of the messages is broadcast four times and somehow, said one announcer, the dike workers, the evacuees and the teenagers hear them or are told of them.

The stations have had their own difficulties. Their staffs have also evacuated and most put in long hours on dikes after regular work.

The flood has hit both CJOB and CKRC. The former is operating an emergency transmitter from the roof of their flood-swamped building a stone's throw from Whittier park. Commuters on the St. Boniface to Winnipeg shuttle service can see a boat tied to the transmitter building and a tent pitched on the roof.

Emergency Set-Up

CKRC improvised emergency transmission from its headquarters across the river from St. Norbert. Saturday even this failed and the station set up a special transmitter on the roof of the Free Press Building. Equipment for the new setup was rushed from Regina.

CKY and CBW have both organized stand-by transmitters in case their stations are hit. CKSB's transmitter is safe.

Brig. R. E. A. Morton, flood control director, acknowledged the stations' work when he urged all citizens to keep their radios on constantly—to keep abreast of emergency measures.

MAY 10, 1950.

The Manager,
CKRC Broadcasting Station,
2nd. fl., Free Press Building,
Winnipeg, Manitoba.

DEAR SIR:

Quite naturally some confusion has arisen over the emergency announcements during the present difficult situation. The radio stations are doing a splendid job and are proving a real service to this community.

However, in order to clarify announcements and to prevent undue concern this Headquarters desires to retain control over three types of announcements. These types of announcements are as follows:

- (a) Announcements concerning evacuation of areas or individuals and the manner in which such evacuations are carried out.
- (b) Announcements requesting volunteers to report for labour work at such places as dykes, bridge approaches, etc. This does not effect calls for volunteer help for Red Cross or announcements asking volunteers to report to volunteer bureaux from where they will be sent to actual working sites.
- (c) Announcements requesting equipment, particularly heavy equipment such as tractors, bulldozers, draglines, shovels and sandbags or similar items.

Should you receive requests to make such announcements from sources other than this Headquarters, would you please obtain the person's name and organizations requesting the announcement and telephone this information along with the announcement to this office for clearance prior to broadcasting. In order to prevent any mishap I am enclosing a code word list covering from today until next week. Henceforth, when this Headquarters desires an announcement in

any of the three categories mentioned above the person telephoning will precede the announcement with the proper code word, thus positively identifying this Headquarters. Your co-operation in this regard will be of great assistance in increasing the efficiency of this work in the restricted areas. Believe me we appreciate all that you are doing in this emergency for your community.

Yours truly,

R. E. A. MORTON, Brig.,
Directing Officer,
Flood Relief.

OPERATION DIKE BUS WINDS UP; NEED PAST

Operation Dike Bus is over

With Red river flood waters receding slowly but surely the hourly, 'round-the-clock free transportation for like volunteers from in front of the Free Press building to all parts of the city ended this week, according to Major B. Boothroyd, general manager of Moore's Taxi limited.

Three weeks ago with the Red rising at a furious pace and with thousands of Winnipeggers ready to man the dikes, the question was: "How will I get there? Where will I go?"

Speedy Solution

This problem was speedily solved when Major Boothroyd and Bill Speers, manager of CKRC, formulated a plan for volunteers to report in front of the Free Press building, from where free transportation to the dikes would be provided every hour on the hour by Moore's buses.

With radio announcements from CKRC and all other stations the operation went into effect at three p.m. May 6. It caught on like wildfire. Flood workers poured into the waiting vehicles and were whisked away at the rate of 150 an hour, Major Boothroyd said.

Fifty Thousand Moved

With bus drivers and executive personnel working 15 to 20 hours a day to maintain the hourly schedule, it was established that 50,000 volunteers were transported free of charge.

"Volunteers are wonderful people and Winnipeg has a terrific number of them," said Major Boothroyd.

Executives of the Winnipeg Broadcasting stations met this evening in the offices of the CBC to assess the extent of their resources in the light of the most serious possible developments, should they occur.

The meeting agreed to meet daily as a continuing committee.

Each station feels it is adequately equipped to remain on the air twenty-four hours daily. All stations agree, that it is important that we all remain on the air and have agreed to pool our resources to that end. Emergency equipment available at all stations, to ensure continued service from our present locations, should city power fail, telephone lines be interrupted, or telegraphic service be discontinued.

All stations at the present time, are linked together by lines, to provide immediate blanket coverage at short notice for common broadcasting of official messages by the authorities at the Legislative buildings. This city network has been used on five occasions to date: Thrice by Brigadier R. E. A. Morton and twice by Premier Campbell. Should these line facilities be lost to us equipment is already in operation to provide the same service by FM radio.

If it seems desirable to extend these facilities by installing a microphone and equipment at the Flood Control Headquarters, for the use of the Brigadier, we are prepared to install the necessary equipment and staff 24 hours daily if the broadcast loop can be provided. This equipment is available. Line connection is strongly recommended but there is available an FM link which will be installed in any case for further protection. Staff will also be provided in this case.

The broadcasters have set aside a half hour period starting at 9.30 p.m. CDT (8.30 p.m. CST) or as much of the half hour period as is required.

It was agreed that Mr. J. R. Finlay of the CBC should represent the broadcasters in continuing liaison with the authorities.

W. SPEERS, *Manager, CKRC.*

J. O. BLICK, *Manager, CJOB.*

W. COLLIER, *Production Manager, CKY.*

J. N. MOGRIDGE, *Manager, CBW.*

J. R. FINLAY, *Regional Representative, C.B.C.*

REPORT OF CKY

May 31st, 1950.

Mr. GEORGE YOUNG,
Station Relations Manager,
Canadian Broadcasting Corporation,
Toronto, Ont.

Dear SIR:

As requested in your telegram of May 26th to Lloyd Moffat, we enclose herewith a report on the activities of CKY in the Red river flood emergency.

Actually this report is being rushed to you while CKY is in the process of planning a new series of programs to raise further funds in Winnipeg and Manitoba for flood relief. However we trust that the enclosed report will supply the information desired on CKY's activities during the height of the flood menace.

Yours cordially,

BROADCASTING STATION CKY

(Signed) MAURICE E. BUNN,

Public Relations Director.

5000 Watts—Dial 1080

IN WINNIPEG AND MANITOBA IT'S CKY

Among the broadcasting stations of Manitoba CKY played a proud and prominent part in maintaining the morale of a harassed people, in keeping the public accurately informed at all times, devoting all its energies and facilities, night and day, toward a unified fight against the common danger, initiating a plan for a nation-wide appeal in the interests of the Manitoba Flood Fund, producing a large number of programs which helped inestimably in swelling that fund, and in countless other ways toward assisting the authorities and aiding individuals.

When danger threatened, . . . CKY was ready to meet any emergency with a highly efficient staff, the most modern equipment available, and a large, alert news department in constant contact with all developments throughout the province.

Jim McLeod, CKY's news editor-announcer, was the first Winnipeg reporter to fly over the flooded areas of southern Manitoba. That was as early as April 19th, more than two weeks before flood waters began to threaten Winnipeg.

When disaster struck, . . . CKY immediately offered full co-operation with Flood Control headquarters, the Manitoba Flood Fund committee, the Canadian Red Cross society, all civic, municipal and provincial governments, all other organizations active in flood control and relief, and all individuals in distress.

CKY's management and staff met the emergency with instant, efficient organization into three shifts working 24 hours a day, starting May 5th and continuing throughout the danger period.

Immediately and at great expense, CKY installed extra equipment to cope with any eventuality. In case of line failure, an F. M. transmitter was brought in and set up for instant use as a stand-by link between studios and transmitter.

In case of a power failure, an emergency power plant was installed, extra telephones were added to the news room to handle the vast volume of calls to and from the station.

A special battery-type tape recorder was imported direct from Hollywood so that broadcasts could be made from anywhere.

All this equipment was used to good effect and assured that CKY would remain on the air even if all other stations had failed.

In addition, extra staff were employed and the regular staff willingly worked many extra hours in order to keep the station functioning at full efficiency in the public interests and public welfare.

Thus geared for action, . . . CKY received and transmitted a total of 24,321 important messages during the peak of the flood period. Of these, 5,138 messages were for Flood Control headquarters, 7,856 for public service organizations, and 11,327 were messages between individuals in districts and their friends and relatives.

These messages were of inestimable value in directing operations, alleviating suffering and maintaining morale. The following few examples are taken at random from the many thousands of similar messages:

May 14th: FROM FLOOD CONTROL HEADQUARTERS:

"Attention citizens of St. Boniface and Norwood. Flood Control Headquarters announces that, for safety measures, it is necessary to evacuate all women and children from St. Boniface and Norwood. You will be advised by your local evacuation committee exactly what action to take. The first evacuee trains leave from St. Boniface station and the Marion street spur opposite the fire hall at 5 p.m. Residents north of Bertrand will report to St. Boniface station and residents south of Bertrand to the Norwood Fire Hall. Arrangements have been made by Red Cross to take evacuees to country points and towns outside Winnipeg. Provencher bridge will be open for evacuee traffic from 6 p.m. today."

May 13th: FROM INDIVIDUALS IN DISTRESS:

"To the MacDonalds of 36 Roseware Avenue, St. Vital: Get out while you can and come to our place—signed Galloway MacDonald of 361 Sackville Street, St. James."

May 17th:

"Mike Cormer of 28 Edmonton Street has been missing for more than a week. Anyone knowing his whereabouts is asked to telephone the welfare enquiries, Red Cross, immediately."

May 18th:

"To Walter Erickson, Lundar, Man., from Margaret and family: Have to evacuate tonight. Please come home as soon as possible."

May 18th: FROM FLOOD CONTROL HEADQUARTERS:

"The St. Boniface flood control headquarters want 1,000 volunteers this morning. Please report to Norwood collegiate and bring a shovel if you have one. This city is now surrounded by water and dikes are in need of strengthening after yesterday's rain. One thousand workers are needed immediately."

The foregoing page gives just a few examples taken at random from the many thousands of urgent messages that were broadcast by CKY hour after hour during the hectic weeks of the flood.

Nor did the staff of CKY escape the disaster. Even as they worked night and day to assist their community, many of CKY's personnel suddenly found that they had lost their own homes to the flood waters or were ordered to evacuate at a moment's notice when their districts were threatened. Yet all carried on regardless in the common fight in spite of personal suffering and loss. Many worked at night on the dikes or on other flood duties and returned to their equally important work of maintaining morale and directing the public over CKY during the day.

CKY's News Department, . . . like all other departments, was on 24-hour shifts with extra staff and equipment. The news department handled all special emergency messages and was in constant touch with Flood Control headquarters. In addition, CKY's news men paid daily visits to the flooded areas, to evacuation centres, relief depots, and met all refugee trains for first-hand information and to help in every way possible. . .

LET THE PRESS SPEAK FOR RADIO. . .

The following is quoted from the daily news of April 22:

Winnipeg (special)—Jim McLeod, news editor of radio station CKY and formerly of CHAT in Medicine Hat, obtained a graphic word picture of the flooding lands in southern Manitoba, as melting winter snow and overflowing rivers inundated hundreds of acres of rich farmland, in what has been described as the worst condition in 50 years.

Accompanied by Brigadier R. E. A. Morton, group officer commanding of the prairie region, and other army officers, McLeod flew over the flooded regions in an air force DC-3, recording his description from the air for broadcast late Wednesday evening on his regular newscast. The exclusive account covered the towns of Altona, Gretna, Rosenfeld, Letellier, Hornbeam and Morris, which were all suffering various degrees of flood stage. Rosenfeld, at the time, was completely cut off from the rest of the province as swirling waters filled the basements of every home and building in the town of 500. Highways and bridges throughout the area were washed out and train service was curtailed to many communities.

Army officials under the direction of Brigadier Morton are planning the most effective means of combatting the rising floods with much concern being felt for the city of Winnipeg. Although the Red River in the capital has not yet reached flood stage, engineers voiced the opinion that this spring's rampage will likely be more severe than the flood of 1948.

* * *

The flight by Jim McLeod of CKY over the flooded areas of southern Manitoba, described in the above press report, was made long before the rising Red River presented a definite threat to Greater Winnipeg. It is just one of the many examples of how CKY anticipated the approaching menace and did all in its power to prepare the population for any emergency.

CKY's Production Department maintained its program schedule with a view to the greatest possible service throughout the flood emergency. There was no disruption in programs and the whole province responded to CKY's requests

and appreciated the station's efforts. Many letters and phone calls of appreciation came from grateful listeners who had found their families or friends or who had been directed to the right places through CKY's services.

CKY's Engineering Department assured that at no time was the station in danger of going off the air. This record was achieved by the management's foresight in securing and installing extra equipment and staff. There was a definite danger that Winnipeg would lose all power facilities, all other means of communication and all transportation. Such a catastrophe would have demanded the complete evacuation of Greater Winnipeg. It was essential that CKY, as a major 5000-watt station, should at all costs remain on the air in this metropolitan area, to render indispensable service to Flood Control headquarters and all other organizations engaged in flood relief work, and to maintain the morale of the entire population, come what may.

CKY made sure . . . that even if all other stations were silenced, it would carry on. This was made possible by the installation of an FM link between studios and transmitter in case the land lines were broken. Thus the CKY signal could still have been picked up at the transmitter and broadcast from there as usual on the regular A.M. frequency.

CKY also obtained a special power plant in case of power failure and had a 250-watt transmitter in case its main 5,000-watt transmitter was silenced. Thus, as a last resort, CKY could still have remained on the air at least throughout Greater Winnipeg. But throughout the flood CKY was able to continue broadcasting uninterrupted at 5,000 watts night and day.

* * *

Even at the height of the flood, CKY was able to initiate a far-sighted plan for the promotion of a flood fund. Members of the CKY staff, Alex Johnson and Maurice Bunn, approached Premier Campbell, Honourable J. S. McDairmid and others, with an offer to place the entire facilities of CKY at the disposal of the Manitoba Flood Fund Committee.

This Offer Included not only the broadcasting of programs and appeals throughout the province but the recording, duplicating and shipping of these and special broadcasts for use by every broadcasting station in Canada. Many of these stations had already asked for and received appeal broadcasts from CKY and had offered to further the effort in their areas with all their power.

This All-Out Plan called for a tremendous effort but assured the raising of unlimited funds. It required speedy action and careful co-ordination. CKY urged that all other Winnipeg broadcasting stations get whole-heartedly behind this mammoth effort and become a working part of a nation-wide campaign for funds. The ultimate plan of the radio division of the Manitoba Flood Fund committee followed closely the plan suggested by CKY, and CKY followed through by transcribing and shipping, at the station's own expense, scores of programs to stations from coast to coast.

In Addition To Discs, CKY supplied taped recordings to the Flood Fund committee to be recorded elsewhere. Among the many stations supplied with discs were some twelve major network stations across Canada. CKY fortunately had the recording facilities, second to none, to meet the nation-wide demand for programs in the interests of the Manitoba Flood Fund. These recordings were put to the best possible use with great effect and were instrumental in making the appeal an outstanding success.

MAURICE E. BUNN,
Public Relations Director,
Broadcasting Station CKY.

The CHAIRMAN: Now, we revert to the subject of finances.

Mr. FLEMING: Mr. Chairman, at the last meeting we were dealing with the statement of expenditures by department objects from April 1, 1948, to the 31st of March, 1949, and a similar statement of expenditures broken down by department objects for the year April 1, 1950 to the 31st of March, 1951. We had asked certain questions in regard to the first item, advertisements, and unless somebody has some other questions I was going to drop down to the sixth item, "duty entertainment". I was going to ask some questions about that.

The CHAIRMAN: Has anybody any questions on that statement earlier than the one that has been mentioned? This statement is the one that begins with advertisements, and there were a number of questions asked on advertisements. Will you refer to the sixth item, "duty entertainment". If anybody has a question in between there they can ask it, if not, Mr. Fleming goes ahead.

Mr. RICHARD: "Automobile expenses", did we cover that before?

The CHAIRMAN: I do not know, is it there? Oh, yes, that is the fourth item.

Mr. RICHARD: I have just one question. I think this committee should recommend that the chairman of the Board should travel in a better type of car than the truck he travelled in to the Laval Golf Club.

Mr. FLEMING: That will teach him to be ahead of time the next time.

Mr. HANSELL: Maybe before Mr. Fleming asks his question it might be well to have in the record our appreciation for the entertainment we were afforded by the Canadian Broadcasting Corporation in Montreal. I am sure that we all did appreciate very much, the personal view and tour of the building, and the demonstrations, I am sure, gave us a conception of the work of the corporation in a way that we could not perhaps have otherwise got by reading or even by conversation. I personally appreciated the opportunity afforded to us.

The CHAIRMAN: I am glad you mentioned that at this time, Mr. Hansell, and I want to assure Mr. Dunton, Dr. Frigon and others of the Canadian Broadcasting Corporation who were present agree, that what Mr. Hansell has said is really, as he would agree, an understatement of the appreciation that everybody felt with respect to that trip.

Mr. FLEMING: Hear, hear.

The CHAIRMAN: And those who did not go have all been expressing, both to themselves and to others, their regrets over their inability to go or their bad luck or something like that. It is pleasure to everybody to be able to record our appreciation in the minutes at the present time.

By Mr. Fleming:

Q. Mr. Chairman, there is one item I would like to ask a question about before we come to the other matter I mentioned. It concerns displays and exhibits. I notice that in 1948-49 there was just \$257.49 spent on that item; in the year 1949-50 there was just \$947 spent; in the budget for the year 1950-51 the amount contemplated being spent is \$7,500. Could Mr. Dunton indicate to us the reason for the substantial increase there, and what is the nature of expenditures of this kind?—A. Those items cover small exhibits arranged when we have been asked to have booths at various fairs and exhibitions and that sort of thing. We found it rather advantageous to have some kind of exhibit ready showing some explanation of the work of the corporation—something ready to put in the booths, especially since we usually broadcast from them.

Q. I gather you have not done very much of that sort of thing?—A. No, but we would like to do more. We would like also to have some kind of exhibits showing the system in both the Toronto and Montreal buildings. We

find that a lot of people come in and want to know what the network looks like and we would like to have some sort of exhibit showing the system and something of how it operates.

Q. You have got \$7,500 in the present year under Press and Information. Is there any significance to that?—A. No, except our Press and Information department handles general information and publicity work about the corporation and even an exhibit such as those for Toronto or Montreal is charged to that department.

Q. Under the subject Duty Entertainment there is expenditure for the year 1948-49 of \$17,460 and in the year 1949-50 there is \$16,610, and this present year, 1950-51 you contemplate spending \$17,100. What is the rule within the corporation, Mr. Dunton, in regard to entertainment?—A. The general rule is that first anything of any size has to be approved by the management, even at outside points. I would ask Dr. Frigon to explain it in more detail. The more senior officers are given a certain amount of discretion in taking someone to lunch when it is advantageous to the corporation, but it must all be reported—the person who was entertained and so on, and it is checked by the appropriate officials to make sure that it was justified.

Q. I was wondering whether there were any general instructions as to about how far this goes—to your officials in the organization who have the privilege?—A. Do you mean how far down it goes?

Q. Yes?—A. I would ask Dr. Frigon whether he has any set rule.

Dr. FRIGON: No; in principle we agree to reimburse our officials or members of staff when they have to meet certain expenses and we reimburse them against vouchers. Last year for instance we had some people in Mexico and some are now in Rapallo. They will have to offer cocktails, and invite people to lunch, and give a party to the heads or officials of other nations, and that is charged against this account. The money is paid against vouchers which are submitted.

Mr. FLEMING: There is I gather no written instruction issued to your organization then?

Dr. FRIGON: No, but every account submitted that way is checked by the Treasurer and is approved by myself or the assistant general manager. It is very carefully watched and if anyone has a tendency to go too far he is told that he cannot do it any more. I would say that there has never been any trouble with anyone on our staff.

Some of our members belong to clubs. For instance, in Vancouver and in Winnipeg and in other places we allow the man in charge to belong to a club and the corporation reimburses him for the amount of that membership; but there is no distinction as to classification.

By the Chairman:

Q. May I ask: what is the total over-all budget amount of money that you handle for everything?—A. About \$9 million this year.

Q. About \$9 million this year; and your total number of employees is what?—A. About 1,200 in the National Service.

Q. And the figures with which we are dealing with regard to entertainment cover the work of your International service as well as your domestic?—A. No. This is just for the national service.

Q. You say it is just for the national service, and it is in the neighbourhood of \$17,000. It is not much changed from last year?—A. That is right.

Q. So that when one sees the figure of \$17,000 he has to think of it with reference to an organization of the size you have mentioned and with reference to the total budget, about which you have spoken?—A. That is right.

Q. I thought it would be well to have that information at this point.

By Mr. Fleming:

Q. Unless some other member has a question, might I jump now to the item "Donations and Prize Money", where the expenditure for the year 1948-49 was \$23,000; in the year 1949-50, \$17,206, and the estimated expenditure for the year 1951 is \$26,000. Could Mr. Dunton tell us, in a general way, what the nature of the expenditures under that item consist of, and what is the policy of the Board of Governors in relation to "Donations and Prize Money"?—A. There would not be many donations. There are grants in that such as to the Canadian Association for Adult Education, really for value received for organizational work in connection with programs such as the Citizen's Forum and the Farm Forum. Most of the money is for prizes in connection with programs where prizes are used, and for programs of that sort on the French network where books and such things are given.

Q. Could we have a break-down? Have you got one handy, let us say, for last year, showing how much was paid, to the Canadian Association for Adult Education, and how much went into prizes?

Dr. FRIGON: There is a similar society on the French network and it gets an annual grant. These grants are for work done in conjunction with our programming.

Mr. FLEMING: I understand that.

The WITNESS: \$3,500 was paid to the Canadian Association for Adult Education. \$1,500 was paid to La Société d'Education des Adultes du Québec.

By Mr. Fleming:

Q. That makes a total of \$5,000 for donations?—A. Yes.

Q. And the balance went for prizes in connection with radio programs?—A. Yes.

Mr. BUSHNELL: We do not give money prizes.

Dr. FRIGON: There are no cash prizes. For instance, when the contest was finished in Montreal corresponding to the Singing Stars of Tomorrow, we gave to each contestant a cigarette box. Then, if we have a quiz show, we may give books. For children's programs we may give toys. There is no cash handed out. It is in the nature of some gift, and it is as compensation to people who do not receive a fee.

The WITNESS: There is another item of \$750 to L'école des Parents, in connection with advice to parents.

By Mr. Fleming:

Q. Last year your prizes amounted roughly to \$12,000?—A. A little less than that, I think; oh, yes, about \$12,000.

Q. And a year before it would be about \$17,000 or \$18,000?—A. Yes.

Q. And this year you contemplate a total expenditure of \$26,000. Would your donations be about the same this time?—A. We expect so. We do not know of any reason for them to go up.

Q. Your estimate this year contemplates a provisional expenditure of about \$9,000. Does that mean you expect to increase your expenditure on prizes by \$9,000 this current year over last year?

Mr. BUSHNELL: There is no telling what trend programs may take. We should have extra provision in case we want to put on an extra quiz show. In other words, after budgeting, the amount may not be entirely spent, but it is there for that purpose.

The WITNESS: Mr. Chairman, we try to budget about that amount each year. That does not mean that we spend it all. You will see there was a drop in the amount last year; also, it means that there is that much which can be used but which would not necessarily be used.

By Mr. Fleming:

Q. So there is no new departure this year?—A. No particularly new departure.

The CHAIRMAN: The fact that you raise the amount in your budget does not indicate really that you are going to spend that amount of money in that way.

The WITNESS: I think our budget item last year was the same amount but we did not spend it.

Mr. STEWART: What about the item two or three lines further down, "News—Press Service", approximately \$145,000.

The CHAIRMAN: Is that related to the item under discussion?

Mr. STEWART: No, but I thought we might want to look at it.

The CHAIRMAN: Would you mind waiting until Mr. Fleming has indicated some stopping place along the line before you get there?

Mr. STEWART: Not at all.

Mr. FLEMING: I have just one question I would like to ask on fuel. Does that cover all your buildings, let us say in Montreal, Toronto and elsewhere?

Mr. FRIGON: Not Montreal, the Montreal building belongs to the government.

The CHAIRMAN: You pay for that fuel in your rent.

Dr. FRIGON: That is right.

Mr. FLEMING: Oh, this is for Toronto?

Dr. FRIGON: Not just Toronto, it covers all our stations across the country.

The CHAIRMAN: And I suppose it includes fuel for your buildings in Newfoundland too?

Dr. FRIGON: Yes.

The CHAIRMAN: And in Winnipeg, of course, you have central heating and that comes under the Hydro and you pay a rate per pound.

By Mr. Stewart:

Q. On the item of "News—Press Service", Mr. Chairman, the amount there for 1950 is \$145,000. Could Mr. Dunton or Dr. Frigon tell us how this is broken down between the different press services?—A. Mr. Chairman, we are in the hands of the committee, but we would prefer not to give a breakdown for this reason, that we are in a position of bargaining under fairly stiff conditions with two or three news agencies and I think it might handicap us if the exact amount we pay to each were known and I suggest it might not be completely fair to the news agencies.

Mr. STEWART: I am willing to dispense with that question. Are you satisfied with the news service you get?

The WITNESS: I think we are like any other customer, most of the time the service is good but there are times when we would like to see it a little better still.

Mr. HANSELL: But there is not very much you can do about it.

The WITNESS: Except, that as in the position of a customer we can tell him our wants, and being good business people naturally they will listen to our complaints or suggestions; sometimes they accept them and sometimes they do not.

Mr. FLEMING: It is a matter of negotiation and bargaining in each case.

The WITNESS: Yes.

Mr. FLEMING: And the payment goes to just the two services?

The CHAIRMAN: Does the payment go to more than two?

The WITNESS: It is a little more complicated than that. It goes through one agency in particular and through them we get other outside agencies; we get Reuters, Associated Press, Agence France, British United Press and American United Press.

The CHAIRMAN: Well, Mr. Dunton, I do not wish to question Mr. Stewart's question, but if there are only two does not each one know what the other gets; if there are only two and one knows he doesn't get it—

The WITNESS: I am not saying that there are only two.

The CHAIRMAN: I thought you did say that. Somebody said there were only two. You are now saying that that is not so; you are not agreeing to that?

The WITNESS: No. I was going to say they come to us from two main wire services, and through various arrangements we get direct news from Reuters, Associated Press, United Press and Agence France.

By Mr. Fleming:

Q. Then what it amounts to is that you make payments to the two of them under this item.—A. I did not say that we were going to make payments to just two of them.

Q. Just explaining, without giving information which is going to be prejudicial at all.—A. We may deal with a Canadian news agency which in turn gets a service from us from an outside news agency, they get news from them outside of the agency through the Canadian agencies. As everybody knows, American Associated Press has close relations with the Canadian Press.

Mr. HANSELL: I see under that item that the expenditure for 1948-49 was \$129,814 while for the current fiscal year you estimate it at \$130,000, and there is an increase—I wonder if you would care to explain that?

The WITNESS: That is the result of negotiations and bargaining, as we discussed the matter earlier; and we had some extra costs in connection with taking over Newfoundland, we had to put a new system in there and we had to pay extra for that.

The CHAIRMAN: You took over some contracts when you took over Newfoundland, and contracts always carry both liabilities—and what is the opposite to the liability, I don't mean assets—benefits, that is the word I mean.

The WITNESS: I think most of that has been cleared up. We had an obligation to supply news in Newfoundland on a regional basis so we had to establish a new supply of news on a regional basis there and that meant extra costs.

Dr. FRIGON: Before we went into Newfoundland they did not receive any Canadian news service, they just had a news service supplied by Reuters. When we took over they became a part of the national system and we had to give them a Canadian news service which meant bringing it from the mainland and setting up a news service in St. John's.

The CHAIRMAN: Is there anything else under that heading?

By Mr. Fleming:

Q. In connection with honoraria; in the year 1948-49 honoraria totalled \$5,400 odd and in 1949-50, \$5,600, and this year I see you are budgeting for \$6,800. Most of this expenditure I see is under administration and a small amount under programming. What type of people receive these honoraria?—A. I think a large part of that is honoraria paid to members of the Board of Governors, they get \$50 per meeting.

Q. I see. How many meetings do you hold?—A. There is another item in there. We have a station magazine and certain fees are paid in connection with articles for that and they are covered by this honoraria item.

Q. What would your program honoraria be there? It is a small item but I was just wondering?—A. I am afraid we would have to check back for that. It would be some special fee for some special service.

Q. Under incidentals, Mr. Chairman, I see there is roughly an amount of \$7,000 in 1948-49.—A. What was that?

Q. Incidentals; and \$8,600 for 1949-50 and for this year \$8,350; what sort of expenses are covered by incidentals?—A. Those are mostly paid cash items which the Treasury department cannot allocate to any one specific object.

Q. Could you give us a few examples of the type of expenditure which goes to make up that item?—A. A lot of lunch money goes into that and overtime, that is a big part of it; and there are certain transportation charges—anything that cannot be allocated to the other objects mentioned in the report.

Q. But generally speaking that goes almost entirely, I gather, to members of the staff?—A. No, any article purchased under \$5 which we pay for out of petty cash but which cannot be allocated readily to a special object comes under that.

Q. I am afraid I did not make my point clear. I was simply asking who were the recipients of items under this heading, and I suggested that they must be almost entirely staff.—A. Not almost entirely, about half of it I would think. The other items paid out of petty cash would be in connection with stores required in the production of programs.

Mr. BUSHNELL: If we want to go out and buy something for a program we can go out and buy it and pay up to \$5 and charge it to petty cash.

Mr. FLEMING: Then on insurance, Mr. Chairman; in 1948-49 I see the expenditure was \$25,000 odd, and in 1949-50 it was \$34,619 and this year it is \$29,450; what kind of insurance is that?

Dr. FRIGON: Fire, liability, accident, storms—for instance a storm may blow down a tower—it covers all risks.

Mr. FLEMING: Do you carry any insurance against suspension of programs as a result of storms or anything like that; for instance like the one you had in Toronto last week?

Dr. FRIGON: No, we do not.

The CHAIRMAN: Do you lose any money in cases like that when outside interference prevents your program being put on?

Dr. FRIGON: Yes, we do.

The CHAIRMAN: But the advertiser gets the adjustment?

Dr. FRIGON: It is not as serious as it might appear to be because we have so many commercial spot announcements. A station carrying a lot of spot announcements might have a break in its transmission but while we would lose some money we would not lose as much as you might expect because we just lose the revenue.

Mr. STEWART: In connection with this insurance, Dr. Frigon, can you tell us whether you have had many claims against insurance companies for losses?

Dr. FRIGON: The biggest one we had was in Montreal where we had a claim on our fire insurance people where we collected \$50,000.

Mr. STEWART: \$50,000?

Dr. FRIGON: Yes, that was paid by the insurance company as a result of an explosion in the boiler room.

Mr. STEWART: You seem to be paying out a large amount of money every year on this amount; have you considered the idea of insuring yourselves?

Dr. FRIGON: Yes, but the point is this; we could do that if we had sufficient cash to put aside a fund for that purpose but we have never been able to take the risk from year to year. We could do that if we could set aside let us say \$25,000 or \$50,000 a year and when that amount became large enough stop buying policies. That would help, but we have never been able to accumulate a sufficient fund to enable us to start that.

Mr. STEWART: But here you are paying out as much as \$30,000 a year. Could you not leave that in a trust fund in the corporation and let it build up and then deduct from that any claims which might come up?

Dr. FRIGON: Yes, but unfortunately if we tried to do that, insure our own risks, we would not have the coverage which we need and which we now have. Take the situation as it stands now, with all the property we own, we might have a big loss in one year which we would not be able to cover. We could not offer to take a chance until our fund was built up.

Mr. STEWART: It might be possible.

Dr. FRIGON: I point out here also the amount of unemployment insurance that we have to pay for.

Mr. STEWART: That is in here too?

Dr. FRIGON: Yes.

Mr. FLEMING: The next item is membership fees. There is a small item there of membership fees. I take it again that that is the kind of membership fee about which Dr. Frigon was speaking earlier. There may be some explanation there.

Dr. FRIGON: You are right, as I explained before these are membership fees for staff, some of our employees who have to belong to certain professional organizations. For instance, we have employees who have to belong to two or three different organizations in order to have the right to perform their duties in different provinces; and there may be some employees who by reason of the fact that they belong to certain organizations receive documents which are very useful to us and in that case we pay their membership fee.

Mr. FLEMING: Then I understand that the item we were discussing earlier, honoraria, does not include membership fees?

Dr. FRIGON: No, it would include expenses at a club, for instance.

Mr. FLEMING: But it would not include the membership fee?

Dr. FRIGON: That is correct.

The CHAIRMAN: You could start quite an argument about this by asking what about union dues in connection with trade unions, and members of the staff who have to belong to such unions in order to be able to work. Would you like any more questions of that sort?

The WITNESS: We are not anxious to get into that sort of discussion.

The CHAIRMAN: All right—"Music—Manuscripts and Plays":

Mr. HANSELL: In connection with manuscripts and plays, would that have anything to do with the cost of purchasing?

The WITNESS: I will ask Mr. Bushnell to answer that.

Mr. BUSHNELL: Actually, that is not purchase. If we were obliged to purchase our plays and talks and that sort of thing on an outright basis the cost would be perhaps three times what we pay now. We buy one performing right only and it becomes our property for that limited time.

Mr. HANSELL: What does that amount there represent?

Mr. BUSHNELL: That is the amount we pay the performing rights society.

Mr. FLEMING: In this case, Mr. Bushnell, no recording rights are carried with the purchase of the one performance right?

Mr. BUSHNELL: That is what I said. That is true.

By Mr. Fleming:

Q. Could we have some explanation of the item Papers, Periodicals and Magazines in general?—A. That is mostly general.

Q. Are these publications coming in from outside or does that include your own publications?—A. No. They are periodicals coming into the C.B.C., into the reference library, that sort of thing from the outside.

Dr. FRIGON: We carry libraries at all our regional points such as Winnipeg, Vancouver, Toronto, Montreal, Quebec City, Chicoutimi, Halifax, Sydney and St. John's.

Mr. FLEMING: This covers all the papers, periodicals and magazines which come in to service your libraries?

The WITNESS: Yes, all current publications.

Mr. FLEMING: I think that heading could be enlarged to be more accurate.

Mr. HANSELL: I wonder if we could have some further explanation or information on this item of \$300,000 odd, could you break that down for us? That relates to the performing rights society?

The WITNESS: I could give you the figures, Mr. Hansell, based on the decision of the Copyright Appeal Board. The two most important ones there are C.A.P.A.C., the Composers, Authors and Publishers Association of Canada.

Mr. HANSELL: What are the main items?

The WITNESS: \$140,000 for the last fiscal year.

Mr. HANSELL: What was the name of that outfit?

The CHAIRMAN: C.A.P.A.C.

The WITNESS: And B.M.I., the Broadcasting Musicians Incorporated, \$17,500.

Mr. BUSHNELL: Then, there is the amount paid out to be musicians. Let me give you an illustration. If we want special music let us say for Stage 50, we commission a composer to do it and we have to pay him for it, sometimes at union rates and sometimes higher. It is a performing right that we get and it is charged against that item. We are spending a lot of money with Canadian writers and composers under that heading.

The CHAIRMAN: You commission them to write something for you and the right that you obtain is—

Mr. BUSHNELL: —a performing right.

The CHAIRMAN: And he performs that just for the one performance, despite the fact that he would not have written it probably without your stimulation.

Mr. BUSHNELL: That is a fair statement, yes.

Mr. HANSELL: A breakdown would seem to indicate that you pay about one half of this amount to the performing rights society and probably about half of it to individuals.

The WITNESS: Yes.

Mr. BUSHNELL: It would include also "Grand Rights". You pay a special rate for a full performance right of some numbers to the performing rights society. You have to pay extra for these "Grand Rights" not included in their regular repertoire. I dare say a breakdown could be made of that but it would take some time.

Mr. HANSELL: I do not want you to spend a lot of time on it. I mean, the composers and authors society get \$140,000 and the broadcasters \$16,000, that is \$156,000 out of a total amount of \$300,000, and if you look at 1948-49 that would appear to be about one-half of it.

Mr. BUSHNELL: About a half, yes.

The CHAIRMAN: Now, "Blueprints":

Mr. HANSELL: I hadn't finished, Mr. Chairman.

The CHAIRMAN: I am sorry, I did not intend to break in on you.

Mr. HANSELL: I would like also to learn something about what is going on in this performing rights society.

The CHAIRMAN: Next is "Blueprints": "Postage and Excise": "Printing and Stationery":

By Mr. Fleming:

Q. Printing and stationery, that item seems to be going up. In 1948-49 it was \$143,000; in 1949-50 it was \$149,000, and this current year I see you estimate that it will be \$201,000. Now, of course, there has been an increase in printing and stationery costs, as we all know. Is there anything more than just an increase in rates reflected in this large increase this last year?—A. Yes, in addition we are trying to even out our information service across the country and in doing that we are just establishing our C.B.C. Times in the Pacific time zone. There will be a small compensating item of revenue against that, but there will be an expenditure of about that amount involved. In addition to that we are trying to do some more information work in the province of Quebec bringing it more into line with what has been done on the English side.

Q. What is the nature of the printing and stationery that you are using for information?—A. Partly printing the local C.B.C. Times.

Q. Time?—A. The C.B.C. Times, that is what we call our publication.

Q. What increase in circulation do you contemplate?—A. As I say, the additional in the Pacific time zone which we did not have before.

Q. Could you give me in round figures the volume of your present circulation?—A. We are not sure what the circulation will be. We have just started to print it; and the same thing applies in Quebec.

Q. Where do you have your printing done, in Montreal or Toronto; or, do you spread it around?—A. We spread it around. It has to be done pretty much where the material originates because most of the material has to be done quickly. The C.B.C. Times has to be brought out quickly.

Q. Now, with respect to this C.B.C. magazine you spoke of, are there different divisions in which that publication is put out?—A. At the present time we have the western or prairie edition originating in Winnipeg and the eastern edition originating at Toronto but we have so far found it impossible with one edition to cover three time zones; namely, Central, Mountain and Pacific, and it has been necessary to establish a new one for the Pacific time zone; and then we have the one at Quebec to be put out in the French language, and that involves additional material and additional cost.

The CHAIRMAN: Would it not be possible to get your Toronto printing done in Montreal?

The WITNESS: I think it would be quite difficult from various points of view.

The CHAIRMAN: All right, we won't argue that.

By Mr. Murray:

Q. I think the corporation should give more of this printing to the King's Printer. We have a very large plant which should be well equipped to do that kind of work which no doubt is largely routine in nature.—A. I think you will find that—

Dr. FRIGON: The C.B.C. could not afford that.

The WITNESS: I think you will find that the King's Printer farms out a good deal of material. Our experience shows that we can usually get the work

done more expeditiously and more economically by putting it out locally than having it done through the King's Printer,—having it done in areas close to the point of production.

The CHAIRMAN: I don't suppose this would mean very much to laymen but it would mean something to the lawyer members of the House of Commons. You all get copies of these divorce evidence books, and if you do—

Mr. MURRAY: I would not read one of them.

The CHAIRMAN: —if you read just the title page that would be enough to point out what I am going to mention. They come from the King's Printer, but you will observe from the title that they have come from probably half a dozen different printing sources. Perhaps when we get this new place over in Hull a good deal of this farming out will be stopped.

The WITNESS: If we could be sure that the King's Printer could do the work as well and as cheaply as other places I think we would be glad to send work there, but the way it is we feel that we can get our work done more expeditiously and at the same time save a little money.

Mr. MURRAY: I know that you have an immense volume of work of many different kinds which is involved in this item and I would think, from the nature of the material involved, that the King's Printer might have a real service to perform there.

The WITNESS: As I say, if we thought we could get it done more quickly and that he would handle it we would be glad to give it to him.

Mr. HANSELL: At a former meeting I mentioned the possibility of the C.B.C. having its own printing plant, and I think you said at the time that you had looked into that matter. How far that has gone, I do not know. But if I might be allowed to make an observation, I recognize that there may be some types of printing which they feel would involve quite an outlay of capital expenditure in order to get the machinery. But today you can get machinery which will do just about anything you want and do it well. I mentioned the other day that I knew of one or two concerns which handled their printing in that way. I notice the amount here is about \$150,000 per year. Now, in ten years you are going to spend \$1½ million for printing with nothing to show for it, except, of course, the work done and the results obtained. At the same time, in ten years, you could have a printing establishment of your own and do that work at the same time.

The CHAIRMAN: You could hardly get that. The only money in the \$150,000 which does not come back to you for the pieces of paper with the printing on them which you distribute is whatever the net profit of the printer is; and the net profit of the printer in \$150,000 would hardly be enough to pay for the printing material in ten years.

Mr. HANSELL: The net profit on \$1½ million?

The CHAIRMAN: I said the same thing only I broke it down into the several years.

Mr. HANSELL: You would not expect to get all your equipment out of the amount of money spent in a year.

By Mr. Stewart:

Q. From the point of view of publishing programs which are issued, would it be possible to centralize everything in one spot?—A. That is one of the major difficulties. Anything relating to program schedules has to be done close to the point of origin because of the time factor. General booklets could be centralized in one place. But quite a large part consists of matter which has to do with weekly schedules and that has to be done close to where the schedules originate.

Q. I do not want to discourage Mr. Hansell's view, but I am not sure that in this case it is altogether practical.

Dr. FRIGON: We do a lot of printing ourselves, such as our forms and regulations, in our own printing room in Montreal. We have a couple of people on the staff and I may say that we pay taxes on our product. It is valued at regular printing rates.

Mr. FLEMING: You mean a sales tax?

Dr. FRIGON: Yes. All our forms and internal regulations are printed by ourselves. We have a printing press which is busy all the time.

Mr. HANSELL: I have thrown out a suggestion which I think might be worthy of further consideration. My observation is made on the basis of the fact that I do know of a large company which has initiated that policy, although it might be centralized a little differently by the C.B.C.

The CHAIRMAN: Mr. Stewart feels that you are developing greater help to Mr. Fleming. He feels that you are running after false Gods.

Mr. STEWART: It may be that his God is not yours.

Mr. MURRAY: There is a great deal in what Mr. Hansell says. But if you start up a printing establishment it would be in competition with the Government Printing Bureau. I think the Printing Bureau could be enlarged very slightly to take care of a great deal of this material which is not regional stuff. I think it could be done at such a place as Ottawa.

Dr. FRIGON: Once you take care of art and things of a special nature, you need to have specially trained people, and we cannot afford to pay them. But the ordinary run of things we do ourselves.

Mr. MURRAY: The King's Printer goes in for off-set printing, photogravures and the very things you would need in publicizing these artists and plays and so on.

The CHAIRMAN: "Professional fees and legal expenses".

Mr. FLEMING: I see that in 1948-49 the cost was \$17,000; last year it was \$16,000; and the present year the estimate is down to \$11,500. I suppose a good deal of this is for engineering, is it not? The details would seem to indicate there is a great deal of engineering included from 1948-49, and quite a bit from 1949-50, but not very much here for this year.

Dr. FRIGON: Engineering advice would be charged to the capital cost of the project requiring that advice.

Mr. FLEMING: What type of engineering advice would it be? Do you have to go outside your organization for engineering advice occasionally? It is under the engineering branch of your organization?

Dr. FRIGON: For instance, we have to have a periodical inspection of our towers. That is one item which amounts to something. Every so often we have to pay a firm to inspect the towers to see whether the bolts are properly set and whether the towers are safe.

By Mr. Fleming:

Q. Take either years, whichever is more convenient, 1948-49 or 1949-50, and give us in round figures an indication of the break-down in the various kinds of professional assistance and the cost? [The chairman, Mr. Maybank, retired and the chair was assumed by Mr. Langlois, the vice-chairman.]—A. There are some special items in here for 1948-49 under "administration" for a study made in our pension plan, an actuarial study. In 1949-50 there was a study under "engineering" with respect to an explosion in relation to claims against an insurance company. There are items like that which would make it vary each year, such as an appraisal of damages. Would you want a break-down on the legal side?

Q. Could you give me in round figures how this was made up with respect to engineering expenditures?—A. I think you can see under the department headings that it would indicate in one form or another engineering advice given in one form or another.

Q. Is there anything more under the administration items than legal fees?—A. I do not think so; outside of that item in 1948-49 for an actuarial study of our pension plan system, checking on some aspects of it.

Q. As far as solicitors are concerned, you retain solicitors in different parts of the country as you need them. You have not any solicitors under retainer from year to year?—A. Not a regular retainer, no.

Dr. FRIGON: There is a fairly large amount of fees paid to lawyers who appear before the Copyright Appeal Board.

Mr. RICHARD (*Ottawa East*): Who was it?

Dr. FRIGON: Mr. John Jennings in Toronto.

The WITNESS: But we have no lawyers on regular retainer.

By Mr. Stewart:

Q. You do not have any lawyers on the staff?—A. Yes, we have one, Mr. Savignac, who has the title of Executive Assistant (Legal). He does some of our legal work. But quite often, unfortunately, things arise in which we need outside counsel.

Mr. FLEMING: Do not say "unfortunately".

Dr. FRIGON: We have no lawyers on the staff as such. We have two staff members who are lawyers and are used for different things including minor legal advice such as looking over contracts, leases and so on or dealing with outside legal advice. We need to have liaison between ourselves and the lawyers. But we have no staff lawyers.

By Mr. Murray:

Q. I notice that a very distinguished gentleman who formerly was a bright light at the bar in the city of Vancouver is present here. I refer to Mr. Hugh Palmer.—A. The secretary of the Board of Governors also belongs to the profession.

The VICE-CHAIRMAN: Are we finished with this item? Now, "listeners' surveys".

By Mr. Gauthier (Portneuf):

Q. How is the listener survey conducted? Is it done periodically by the C.B.C. or by a private party?—A. This item covers the amount paid to firms which do that as a business. There is the firm of Eliot Haynes. They do it mostly as the regular service. But we also have a membership in the Bureau of Broadcast Measurements which is an organization measuring the circulation of stations.

Q. And how often is that done?—A. Eliot Haynes provides their service each month; the Bureau of Broadcast Measurements works by annual surveys.

The VICE-CHAIRMAN: Are we finished?

By Mr. Fleming:

Q. How much did you pay for those services in either of these years? Can you give us an idea?—A. For 1949-50, the Bureau of Broadcast Measurements received \$9,900; and Eliot Haynes received \$5,200.

Q. That would amount to about \$14,000 or \$15,000, but the item here is \$17,296. What would the balance be for?

Dr. FRIGON: Special surveys covering special areas. We had a special survey made to cover Saskatchewan and we shall have one to cover Alberta shortly.

By Mr. Fleming:

Q. You do not conduct these surveys yourselves?—A. No.

Q. You always obtain outside surveys?—A. Another organization did a special job for us in Saskatchewan.

Dr. FRIGON: We understand that these surveys are necessary to satisfy the advertising agencies and the sponsors. They need to know how many listeners we have. This is part of the essential service of commercial broadcasting.

By Mr. Fleming:

Q. It is practically all on the commercial side.

By Mr. Hansell:

Q. I notice that there is only the sum of \$10 here for program service. Is there any reason for that item being just \$10? It seems to me that it would be very advantageous to get a listeners' survey for our own programs?—A. As I explained before that is one thing the corporation would like very much to do. That is, to have a small section which would be able to obtain the listener's reaction to programs, not just an estimate of how many people listen, but also why they listen, why they do not listen, and what changes they would like to have in what they are getting.

Q. It seems to me you cannot very well, on the basis of this expenditure, tell the difference between the listening audience for your own programs and the listening audience for commercial programs?—A. We get a certain amount of information from regular commercial agencies doing it. But we would like to have a department such as the B.B.C. has, which does a very good survey of the audience, trying to see what people like and do not like, and so on.

Q. What would it cost to have Eliot Haynes make a survey of just one program?—A. You mean one program across Canada?

Q. Yes.—A. I could not give you a figure but they will do special surveys for you at special fees. One program perhaps would not cost a terribly large amount. Of course, Eliot Haynes service normally covers only city audiences. It is done by telephoning in cities. It usually does not cover country audiences which we regard as very important indeed.

By Mr. Gauthier (Portneuf):

Q. Is there any relationship between the money you pay for a program and the rating thereof?—A. I hope not.

Q. Suppose you have a long-term scrip and you find that the rating for some reason or other is going down, what would be the procedure followed by the C.B.C.?

Dr. FRIGON: These firms keep a constant check on the audiences. They are paid so much per month for so many copies of their reports for the right to know what is in their files. They carry on a list of surveys for us throughout the year.

By Mr. Gauthier (Portneuf):

Q. Suppose the rating is going down for one particular program. What do you do?

Dr. FRIGON: It would just show in the table for this commercial program. The sponsors would see that it was built up to a better rating.

The WITNESS: We think that the so-called ratings are only one index of the value of a program. We are quite convinced that a program which may have a relatively small rating still may be very much liked and be very useful

to a great number of people. We think there would be great danger in deciding on programs merely through ratings. If we did so, none of the so-called good programs would be on the air at all, because they all tend to have smaller ratings.

By Mr. Knight:

Q. I too wondered about the \$10 item and I intended to make some comment about it. But I think Mr. Dunton has said what I would have liked to say. If you have an expenditure of \$17,000 on a commercial survey as compared with an expenditure of \$10 for an ordinary type of program, is not the emphasis being placed upon wrong values? As I understand it, from the point of view of these surveys, it is simply an attempt at a measurement of the money-making part of the corporation?—A. It is really more than that. This is all charged to the commercial division. It is a thing you simply have to do if you are doing commercial work. However, the information we get from these surveys is of other use and it is watched by our program department. But as I have said, we would like very much to have special survey and research work done more thoroughly upon listener reaction.

By Mr. Gauthier (Sudbury):

Q. Do you find these surveys to be very accurate?—A. We think they are of some use. But there is a great deal of difference of opinion in radio circles in Canada about their accuracy.

Dr. FRIGON: Of course, this is the cost side of our commercial department. There are some revenues coming out of it. We know that if we did not have those ratings, it would be difficult to sell sponsors, and it would be difficult to tell them they should buy our service. So it is a method of selling our stations. And as the chairman has said, we would like to do some research in connection with checking the quality of our programs, not just the popularity, but the quality. We do not know anything about that because we have not got the money. I may say that the Columbia Broadcasting System has done a lot of work in that field.

The VICE-CHAIRMAN: Are there any further questions?

By Mr. Hansell:

Q. Is the actual meaning of the term "listener survey" a survey to see who is listening?—A. Yes, in the usual way it is used in North America.

Q. Does the Eliot Haynes Company make any surveys over and above that? I mean, do they make a different type of survey, something similar to the Gallup Pool, where they would ask half a dozen questions?—A. They do not normally, but I think they would take on a special job of interviewing people, if you wished them to do so. I think they have done so for some private stations and for others; they have done a special job in which they have asked for people's opinions about a certain station or type of programming or something like that. I have had a little experience in that work and I think it is something which needs to be directed by people who know a great deal about the subject.

Q. I see that your removal expenses in 1948-49 are given as \$21,517; in 1949-50 they are given as \$14,220; and in 1950-51 they are estimated at \$15,450. Is the difference attributable to the movement in Montreal in connection with the new premises?—A. It would be for general movement around the country. We have continually to be moving certain numbers of the staff.

Q. That is for moving the staff?—A. Yes.

Q. It is not largely in connection with movement into your new building in Montreal?

Dr. FRIGON: We have to have a certain amount for the movement of staff to Newfoundland. We have to pay for the transportation of the members of the staff to move them down from central Canada, as well as the transportation of their families and their household furniture. It is mostly that.

The VICE-CHAIRMAN: "Rental of buildings or floor space".

By Mr. Hansell:

Q. Will that item be substantially reduced when you move into your new building?—A. No, it will not, because in the new building the national service will be paying rent.

By Mr. Fleming:

Q. Has the amount of the rent been agreed upon yet?—A. Not a definite figure, but it is expected to be in the neighbourhood of \$100,000 per year.

Q. Would that be less or more than you are paying in Montreal now? What can we expect in relation to these items in the future? Will they be going up or going down?

Dr. FRIGON: When we move to our new quarters in Montreal we shall be occupying more space. At the present time we simply have not got the room to hire people who would be essential to our operations. But when we have more office space, we shall take on the staff a few more producers. We should have had them for a few years past, but we could not because of the lack of office space. However, when we move we shall be occupying more square feet than we now do at King's Hall.

Mr. GAUTHIERS (*Portneuf*): Have you received any offers yet for King's Hall?

Dr. FRIGON: No, because we have not been looking for any. We do not exactly know when we shall move out. But when we do know exactly, we shall probably put a real estate agent on the job and find some tenants. I may say that at Bishop Street, where we moved out, we sublets to other tenants and we may make a little bit of money out of the deal.

Mr. HANSELL: It should be remembered that the rent you will pay when you occupy the new building will be going to another government agency.

Dr. FRIGON: The international service will not pay any rentals because they are proprietors, it is their property. But we shall pay to the government for the use of the building owned by the international service.

Mr. HANSELL: Have you any idea how these figures could be broken down between Toronto, Montreal, and the rest of the country?

Dr. FRIGON: In Toronto we own the property ourselves. But we pay rental in Vancouver, to the Vancouver hotel, in Edmonton, and in Winnipeg. We do presently in Montreal, at King's Hall; we do in Quebec City, Halifax, Sydney, Ottawa, and St. John's, Newfoundland.

The VICE-CHAIRMAN: Does that answer your question, Mr. Hansell?

Dr. FRIGON: We also pay rental in Montreal for the use of a hall which we use for audience programs.

The VICE-CHAIRMAN: Mr. Hansell was asking for figures.

Mr. HANSELL: Are the figures readily obtainable for the major cities?

Dr. FRIGON: We pay approximately \$47,500 at King's Hall. We pay \$22,000 approximately at Vancouver. We pay approximately \$33,000 at Ottawa; we pay approximately \$33,000 at Winnipeg; we pay \$21,349.92 to the Hotel Vancouver; and we pay \$12,000 to the Ambassador Garage in Montreal as our share of store rooms.

The VICE-CHAIRMAN: Does that answer your question, Mr. Hansell?

Mr. HANSELL: I think so.

Mr. STEWART: Are you considering giving up the property which you rent in Winnipeg and building studios of your own there?

Dr. FRIGON: We occupy space at Winnipeg in the Bell Telephone System building. I suppose that some day we shall have to abandon that place, but whether we should build or make some other arrangements with some other property owner we do not know yet.

Mr. STEWART: I never thought that your studios in Winnipeg were adequate.

Dr. FRIGON: The Winnipeg studios were built by the Manitoba Telephone System for station CKY. I do not think they are adequate for our work there. Some day we shall have to make a change. When that will be, I do not know. There is a rumour that the Manitoba Telephone System may build a couple of stories on top of their present building. If they do so, we might make a deal with them to build studios for us according to our design. But that is all for the future.

The VICE-CHAIRMAN: "Rental of equipment; rental of halls and studios; rental of musical instruments."

Mr. STEWART: That intrigues me. What do you rent in the way of musical instruments?

Mr. BUSHNELL: We rent an organ from a church out in Vancouver.

The VICE-CHAIRMAN: Is that the extent of your musical interest, Mr. Stewart?

Mr. STEWART: That is all. I wondered whether it was a bassoon, or what it was.

Mr. FLEMING: Superannuation, I see, in 1948-49 is stated in the sum of \$174,179.89; 1949-50 in the sum of \$195,005 and for 1950-51, in the sum of \$234,000.

Dr. FRIGON: It is 6 per cent of our payroll.

Mr. FLEMING: I noted what you had to say about the pension plan on page 46 of your report for 1948-49, indicating that it was inaugurated on April 1, 1943, and that there would be an actuarial review of the pension fund every five years; and that you had a report apparently that year by Professor Sheppard of the University of Toronto indicating that the fund was in a sound condition at the end of the first five years of operation; and the main recommendations were that a pension fund trusteeship be set up, and that the establishment of a stabilization fund be delayed until the next quinquennial period of review, and that credit for past service below age 35 should also be purchased effective as at April 1, 1949.

You mentioned consideration being given to the establishment of a pension fund trusteeship which would be responsible for the investment of reserve funds. In the Auditor General's report for that year at page 31, paragraph 135, he says this:

135. Not reflected in the balance sheet is a contingent liability of the Corporation estimated to amount to \$532,000. Under the pension plan arrangement with its employees, the Corporation assumes the full cost of benefits to be paid in respect of employees' services prior to April 1, 1943. \$532,000 is the total of 14 annual instalments to be contributed to meet the anticipated cost of these benefits.

Could we have a comment on the observations of the Auditor-General and the statement as to the steps taken by the Board of Governors to carry out the three recommendations made by Professor Sheppard in his report, and could you add a comment on this increase by the C.B.C. in your appropriation for

superannuation?—A. The first comment came to the attention of the board which considered it carefully and came to the conclusion that it should not be included as a definite liability on our balance sheet; but at page 59 of our Annual Report for 1948-49 you will find a note which covers that point.

Q. I think you had better read it into the record at this point.—A. "For the fiscal year under review and in accordance with the conditions of the pension plan, a contribution of \$197,234.80 was made by the corporation towards pension benefits for its employees on both the National Establishment and the International Service. This amount includes the sixth of twenty annual instalments of \$38,000, paid by the corporation to cover the full cost of benefits in respect of employees' service prior to the establishment of the fund on April 1, 1943."

Q. That does not quite explain, I think, sufficiently the observations of the Auditor General. Was there something you were going to add to that, Mr. Dunton?—A. I think it almost a legal question whether that is a definite obligation on the corporation to the extent that it should be included in the balance sheet, that should be noted. That is something that the corporation will have to meet each year as it goes along.

Q. What is the position of revenues being paid into that fund? Would that not appear in your balance sheet anywhere?—A. No, it is in the statement of expenditures. This is only a very special thing, making up a fund for past benefits.

Q. Past service up to April 1, 1943?—A. And it was agreed that this particular amount would be covered in twenty annual instalments. The Auditor General thought it should be included as a definite liability, and the corporation took the stand as it would be paid each year no entry had to be made on the balance sheet. But, of course, all the general payments into the fund are covered by the general account of expenditure.

Dr. FRIGON: The basic payment is six per cent of salaries on the part of the corporation and on the part of the employees.

Mr. FLEMING: The corporation matches the contributions of the employees?

Dr. FRIGON: Yes. That has to be paid for straight ordinary purchase of annuities, and also to take care of the retroactive effect which was given to the fund in 1943. Now, to cover that part we had a choice of two things, either pay a big amount of money on a cash basis to take care of the future or to allocate each year out of the six per cent or whatever is required to build up the amount required on an actuarial basis. Now, the Auditor General says because your contract stipulates that you are obligated to pay within so many years so much money, that should be a liability on the balance sheet of the corporation. We say no, it is an undertaking that every year so much money will go to this and every year we take care of that in our annual budget, and therefore we should not consider as a liability an expenditure which we know would not become due for ten, twelve or fifteen years. It will be part of the annual budget when we get to that.

Now, your other remarks about the three recommendations, that has all been implemented.

Mr. FLEMING: All of them?

Dr. FRIGON: Yes.

Mr. FLEMING: Are you proposing to set up a separate account in your annual report each year in regard to this pension fund? I am asking that in relation to this first recommendation about setting up a pension fund trusteeship.

Dr. FRIGON: Well, a trusteeship has been established. The trustees have been appointed and they are handed so much money, they are handed all the

money which is free, not belonging to any specific individuals, and they invest that money and whatever money they make with it goes back into the fund to that extent.

Mr. FLEMING: In your annual reports for future years will you be setting up a separate account or showing a separate statement of operations for that trusteeship?

Dr. FRIGON: I do not think we can do that because of the fact that this fund belongs just as much to the employees as to ourselves.

The WITNESS: It should not show on the balance sheet because it does not belong to the corporation.

Mr. FLEMING: That is my point. It should be an account appearing somewhere. It is a matter of concern to the employees, it is a matter of concern to the C.B.C., and it is a matter of concern to the public through the C.B.C. I am just wondering if, Mr. Dunton, it belongs to the corporation?

Colonel LANDRY: The trusteeship is representative of management employee contribution and a third member who acts as an advisor, and the trustees report to the management of the C.B.C. with respect to administration of the funds. These funds are really not a part of the C.B.C.'s assets.

Mr. FLEMING: I quite follow that. It is quite obvious they should not form any part of the balance sheet or expenditures of the C.B.C. It is a trust fund and there should be a separate accounting of it. I am asking it in view of the fact that a pension fund trusteeship has been set up since the end of the fiscal year 1948-49, as recommended by Professor Sheppard, there will be some statement included in the annual reports of the C.B.C. from now on?

The WITNESS: We have not considered that but I think we could include an item of what the trustees are holding. This is only an investing of the reserves.

Mr. STEWART: Is this fund any business of parliament at all? It has been pointed out that this fund belongs to the employees.

Dr. FRIGON: We would be reporting on funds belonging to the employees I do not see any objection, though.

Mr. FLEMING: That is a fund to which the C.B.C. and employees are contributing and which is managed jointly by officials of C.B.C. and representatives of the employees.

Dr. FRIGON: No.

Mr. FLEMING: I think that is what the Colonel said a moment ago.

Colonel LANDRY: The trusteeship only invests the funds which are in excess of what is required to buy the benefits under the pension plan. The actual management of the pension plan is under C.B.C. managership. Once the C.B.C. has paid the money into the plan the excess of those moneys goes to the general reserve.

Dr. FRIGON: We may clarify that by saying this. I think management of the money is by the insurance companies and the annuities branch. They do the work of accounting, they have the contract; they do tell us what is going on, they tell us what we owe them, and we check on that, but the accounting is an insurance function, not ours.

Mr. FLEMING: You mentioned the insurance companies and the annuities branch. I take it that you contract with the annuities branch for your basic pension, and with the insurance companies as to excess.

Dr. FRIGON: That is right. And the trustees look after the surplus money, the money which we do not need now but that we have to set aside for future obligations.

Mr. MURRAY: Is this plan similar to some other plan in existence, in the B.B.C. for instance?

Dr. FRIGON: I do not know about the B.B.C. but plans similar to our plan are in operation with many enterprises where they buy up to \$1,200 from the annuities branch and for the surplus a contract is entered into with some insurance company.

Our contract is between the Canadian Broadcasting Company, the insurance companies and the annuities branch; it is a three-party contract. Our part is to supply the funds every month according to a certain schedule and their function, being insurance companies, so to speak, is to look after the applications. When a man comes on our staff, after a while he enters into a contract for the purchase of an annuity, that contract is made with the company, the annuities branch and ourselves. It is much the same as buying a fire insurance policy, once we pay the premium the fire insurance company does the rest, we do not do any accounting in connection with those funds.

Mr. FLEMING: The annuities branch takes all the pensions up to \$1,200 and the insurance companies the excess?

Dr. FRIGON: That is right.

Mr. FLEMING: What retirement age is provided for?

Dr. FRIGON: Sixty-five for men, sixty for women and maybe fifty-five, if they give sufficient notice. It is five years less for the women.

Colonel LANDRY: There is the option to retire at fifty-five for male employees and fifty for female employees. The actual retirement age is sixty-five for male employees and sixty for female employees.

Mr. FLEMING: How many years does an employee have to be with the corporation to get the benefits?

Colonel LANDRY: To get the benefit of the corporation share of the contributions, ten years in the service.

Dr. FRIGON: If you retire before ten years you do not get back the corporation's contributions in your name. If you leave after ten years all the money that has been paid to the fund in your name may be handed to you in the form of an annuity when you reach sixty-five.

Mr. GAUTHIER (*Sudbury*): If you leave the service before ten years' service you do not get paid back the money you put in?

Colonel LANDRY: You get paid an annuity based on the number of years contributions paid out of salary but not based on the corporation's share of contribution.

Dr. FRIGON: The employee pays six per cent on his salary. That part of the premium or instalment is his own if he retires before he has been with us ten years; if he has been with us more than ten years that part plus our own instalment of six per cent per year is his own.

Mr. FLEMING: These payments that you made or are making year by year of \$38,000 in respect of past services prior to the inauguration of the scheme in 1943 have enabled you to pay full retirement pensions to employees retired, from that point on, regardless of contributions made by them?

Dr. FRIGON: It all depends. We pay two per cent per year of the years of service up to sixty-five.

Mr. FLEMING: But members of the staff retiring at sixty-five who were there before 1943 receive the full pension?

Colonel LANDRY: Yes, we have made arrangements that those who retire will receive full benefit.

Mr. FLEMING: Regardless of the fact that they were contributing only a short time?

Dr. FRIGON: That is right. Suppose a man joins the corporation when he is fifty-three or when he was fifty-three in 1943, well, he does not get thirty-five per cent of his salary when he retires.

Mr. FLEMING: No, it depends on the length of his service.

Colonel LANDRY: I think on this \$38,000 it might be well to put in the minutes where this comes from. At the inception of the plan, where the C.B.C. approved of the recommendation for past services benefits, figures were given to the management and were approved by the board, and the plan was approved by Order in Council providing for such past service benefits.

Now, this \$38,000 comes from such past service benefits, this privilege that was given at that time. Now, in order to purchase this benefit the C.B.C. could not afford to pay in one lump sum so they agreed to amortize the amount over a period of twenty years. Thirty thousand dollars was allotted to the past service benefits under that particular provision under the plan, and \$8,000 was for benefits on account of additional past services. And now, I think we have paid for these benefits for eight years, and there are twelve yearly payments yet to be made.

Dr. FRIGON: To have the record complete we must add that all those plans approved were accepted by our staff council; the staff accepted those terms and approved them officially.

Mr. FLEMING: Well, they have shown a great deal of consideration then to persons on the staff who were retiring or reaching pension age in 1943 or soon thereafter.

The VICE-CHAIRMAN: Item: Salaries—personnel only.

Mr. HANSELL: On this item I had my secretary go through some of the reports of past years and I am told in the year ending 1944,—

The WITNESS: In 1944?

Mr. HANSELL: Ending March 31, 1944, the number of employees was 815, and according to the present report there are around 1,200. It seems to me to be quite an increase in a few years; it is about a fifty per cent increase.

Dr. FRIGON: Since that time, of course, we have added a full staff in Edmonton, we have taken on an increased staff for Newfoundland, we have taken on the whole staff and organization in Winnipeg. Those are big blocks of employees that have been added to our establishment. That accounts possibly for the increase during the last five years.

Mr. HANSELL: That is since 1944?

Dr. FRIGON: Yes.

The WITNESS: And also there is the Newfoundland staff included last year; the Sydney staff a new staff at Sydney.

Dr. FRIGON: And the usual increase due to the work increasing. There are a few more men and stenographers here and there, but the bulk of the increase is due to these additional services or of operations. I may also add this, and this is very important, that amount includes what it costs us today for cost of living bonuses, \$240,000.

The VICE-CHAIRMAN: Secretarial and casual wages.

Station charges—program transmission.

Overhead expenses—projects.

Mr. FLEMING: That is a credit item.

Dr. FRIGON: Well we have been paid an overhead of five per cent.

Mr. FLEMING: That is a credit item in all three years?

Dr. FRIGON: On capital projects that we go into, for instance, the Montreal building, the C.B.C. is given five per cent for overhead to cover our own salaries, to cover the salaries and services which are not already charged directly to the

projets. For instance, if we have four or five draftsmen on the project, that goes directly to the cost of the project, but my salary and the chairman's salary and the salary of the chief engineer are not charged to the project directly itself, but there is an allowance of five per cent paid to us for those overhead charges.

Mr. FLEMING: That is all related to your international shortwave service?

Dr. FRIGON: Say, for instance, we have four projects under way: Vancouver, Windsor, C.B.C. Montreal, and the building in Montreal. On all those capital projects we are paid five per cent to the C.B.C. for overhead.

Mr. FLEMING: That has nothing necessarily to do with your shortwave service. It is just a matter of cost accounting as between the different departments.

Dr. FRIGON: We have even been requested to add five per cent for good accounting on all our projects.

The VICE-CHAIRMAN: Station lines—studio to transmitter.
Teletype service.

Dr. FRIGON: That is between Montreal, Ottawa and Toronto, and the item before that covers the usual lines between the studios and the transmitter. That is part of the network in a sense.

The VICE-CHAIRMAN: Taxes, water rates and services.
Telegraphs and cables.
Telephones.
Transmission lines.
Travelling.

Mr. FLEMING: Travelling, Mr. Chairman, is a pretty big item there in 1948-49, it is \$121,000; in 1949-50 it is about \$147,000; in 1950-51 the corporation is budgeting for \$147,000.

Could we have a statement in regard to policy or instructions in reference to travelling expenditures?

The WITNESS: Perhaps I could start that, Mr. Fleming, by saying I would like to say, from the point of view of policy, that I think the item should be larger. We are operating a system, trying to cover all of Canada, with regional points producing different programs and having different engineering and other problems. I am sure you will agree it is very hard in this big country to keep an organization, spread out as this is, working in harmony and having ideas well developed and discussed; and there is a necessity for a lot of travel not only between the main points of Montreal, Toronto and Ottawa, but among the other regional points. I personally would like to see more discussion and travelling among officials particularly working on the same kind of thing. Discussion is carried on to some extent now, say, among the people working on the farm programs in all regions but they should at times meet together. And the same applies in other similar phases of activity. Really, a lot of the travelling expense arises from the internal working of the system; I would say the major part of that. If we could all operate from one city the travelling item would be extremely small, but there has to be a lot of personal communication and I think it would be good if there were more.

Dr. FRIGON: All in all, the management has had to be very careful and restrict the amount of travelling that goes on.

The VICE-CHAIRMAN: Is that all on this?

Mr. FLEMING: Dr. Frigon, you had something to say?

Dr. FRIGON: I notice that there are seven people in this room who have come from Montreal and Toronto to be present at this meeting. All of these expenses have to be charged up against the corporation. Mr. Bushnell is going

to Newfoundland. He has come from Vancouver to a meeting in Montreal to discuss programs and questions. That kind of travelling goes on all the time.

Mr. FLEMING: I can see with the division of your executive personnel as between Toronto, Montreal and Ottawa you are pretty well going to have travelling of officials between those points. On the other hand this looks to be a pretty big figure. Apart from your senior officials, such as the gentlemen who are here today, who are incurring most of the travelling expenses within the system?

Dr. FRIGON: The architects travel a lot, the people in charge of operations on the technical side travel a lot, staff councils have to travel for the purpose of studying their problems. Mr. Bushnell could tell you what happens to the program division which, on very short notice, at times has to send a man out to cover an event somewhere. Quite often that takes place.

Mr. BUSHNELL: I was going to give as an illustration a requisition that came to my desk today where two members of our staff are going out to get program material. I contend that that really is an artist's fee chargeable to that account, because it is travelling in connection with programs. He is going out to get material for programs, interviews on tape. There is also another item I can think of: it could be easy for us to have our citizens forum programs originate in Toronto or Montreal but we do not believe it is wise to do that. We believe in originating programs in various centres of the country. There is a considerable amount of travelling done on that basis which really is charged up against the travelling budget, if you like. That to me is just not travelling in the ordinary sense of the word, not just people running around the country.

Mr. FLEMING: Within what area do you attempt to handle that locality? To what extent is it all centralized in Montreal or Toronto?

Mr. BUSHNELL: Well, if I understand your question correctly it is left to the judgment to a large extent, for minor travelling, to the regional representatives to give approval. I may add this, that for any extensive trip across the country, supposing I was to send my Supervisor of Talks from Toronto to Vancouver, I have to get permission from the general manager and the assistant general manager to do that.

Mr. STEWART: Do artists' travelling fees appear in this amount? I am reminded that a couple of years ago one or two of us went down to Kingston and there were certain elementary and scrupulously exact expense accounts submitted.

Dr. FRIGON: Every expense, of course, is criticized by the treasurer. I may be told for instance, that I have charged up a chair car from Montreal to Ottawa and the treasurer will point out that you took a certain train and did not use a chair. I then have to admit I made a mistake. A very close scrutiny of the accounts themselves is made. Now, in the program division, especially, you cannot predict what is going to be required tomorrow. For instance, a fire occurs in Rimouski and you have to send three men there, they leave at 3.00 o'clock in the morning in their own motor car; they have to go and you have no time to consult anyone. That item includes the travelling expenses of our governors coming to meetings, travelling which extends from one end of the country to the other.

Mr. FLEMING: Let me make one observation, Dr. Frigon. Why should you be including in these other items which are largely management any expenses in relation to your board of governors? It seems to me the honoraria of the board of governors should be a separate item.

Dr. FRIGON: You have to pay for it.

Mr. FLEMING: Yes, I know. This is a breakdown of your expenditures for two years and your estimates of this year but I should think that this is quite a separate and distinct expense from your management expenses that ought to be segregated.

Mr. BRAMAH: The board of governors is kept separate but for the balance sheet it is merged with the administration. It is kept separate in our accounts, though.

Dr. FRIGON: The management has nothing to do with that; briefly, the management only records their accounts and charges them up.

Mr. FLEMING: Management, of course, has no control over those items at all.

Dr. FRIGON: If the chairman says that the next meeting is going to be held in Toronto—

The WITNESS: Mr. Palmer's salary is charged under the heading board of governors but he does quite a good deal of work which is general administration of the corporation. My own work is to a large extent watching the policy of the corporation and travelling in connection with the internal working of the corporation in regard to policy. In an item like this you really can go too far in trying to break it down.

By Mr. Murray:

Q. How much of that would be spent on travelling expenses north of Edmonton?—A. We have had quite a few men up there, Mr. Murray.

Q. Have any of your senior men ever been up to see some of the stations or listeners?—A. Personally I have been trying to get up the Alaska highway since 1942. I wish that I really could get there.

Q. I think if you had some of your senior men keep in touch with some of those remote areas like Yellowknife—

Mr. BUSHNELL: May I interject here? I got a terrific shock one night when I landed in the Macdonald Hotel in Edmonton and counted nineteen people belonging to the C.B.C. in that hotel that night. There were eleven of them who had been taken from the international service by the R.C.A.

The WITNESS: That was free transportation.

Mr. BUSHNELL: That was free transportation.

Mr. MURRAY: It is very expensive, of course, to send men up there.

By Mr. Hansell:

Q. Do you have any particular rules governing expenditures such as a certain allowance per day, a stipend or per diem? [Mr. Maybank resumed the chair]. A. I would say it was both. First a staff member has to put in complete expense accounts with vouchers; and, in addition, there are limits set by the management, according to categories, which may not be exceeded.

Q. I think travelling allowances should be appropriate, that personnel should travel in a manner befitting the dignity of their office.

Some Hon. MEMBERS: Hear, hear.

A. I think sometimes the Treasurer's Division holds a different opinion when some people raise that point with them.

Q. May I ask you this, taking as an illustration the Sunday evening hour: on one or two occasions I notice that you have brought prominent speakers by air from points like New York; the other night for instance, there was a distinguished clergyman from New York; are travelling expenses given to these men?

Mr. BUSHNELL: Yes.

Mr. HANSELL: And do clergymen get a special rate when they are traveling?

Mr. BUSHNELL: I do not believe that point has come up yet. I do not think clergymen get any special rate for flying. They do on trains, and we try to persuade them to take trains as often as possible. We would be very happy to pay that because we don't pay these clergymen any honorarium.

The CHAIRMAN: Mr. Hansell is a man of the cloth himself. Would you not think most of these men would be quite content to wait to do their flying sure in the knowledge that they will have an opportunity?

Mr. MURRAY: Just to get down to earth, I was going to ask about that Sunday evening broadcast—what do you call it?

Mr. BUSHNELL: You mean Eventide?

Mr. STEWART: Did I understand you to say that no honorarium is paid for these national broadcasts on Sunday evening?

Mr. BUSHNELL: That is right.

Mr. FLEMING: It all boils down to this: you may be sure that Mr. Bramah is very tough.

Mr. BUSHNELL: And how!

The CHAIRMAN: The next item here is "Improvements to Leased Property". That does not amount to anything in Montreal, that must apply somewhere else.

The WITNESS: This is property leased where we had to pay for putting in partitions and improvements of that kind which cannot be charged to capital.

Mr. FLEMING: And these properties are scattered all over the country?

The WITNESS: Yes, and one particular item there would probably be improvements on the property in Newfoundland. We are having to move from the hotel there to a new location.

Mr. FLEMING: And I see your biggest expenditure there was in 1949 when it amounted to \$136,000. What is your policy in regard to the improvement of leased property? Are you trying to get long term leases before you make expenditures on improvements?

The WITNESS: Yes, we do not want to make expenditures until we have a pretty good lease and we always try to get the longest lease we can if the property is good, and we want to get it before we put money into the property.

Dr. FRIGON: What we do in most cases is to prepare a lease for five years with an option to renew at the end of the five-year term.

Mr. FLEMING: There is just one item left. I see you spent \$80,000 to acquire Station CKY at Winnipeg; could we have the expenses on that?

The CHAIRMAN: That was just one payment.

Mr. FLEMING: Is that Winnipeg?

The CHAIRMAN: Yes, that is CKY.

Mr. FLEMING: That is in connection with taking over the class "A" channel CKY is now on?

Dr. FRIGON: And improving the studios to make it possible to increase the production at this station. We are producing more there now and the facilities which were there were insufficient and not up to the quality required for network standards.

Mr. FLEMING: And that would be included as a part of your capital cost?

Dr. FRIGON: That is in the over-all purchase price.

Mr. FLEMING: I understood at the time you went ahead with this program of taking over the three class "A" wave lengths you were contemplating additional expenditures in connection with a capital nature; you do not classify these under that heading?

The WITNESS: The capital expenditures were on the transmitters.

Dr. FRIGON: We bought what they had and we paid for that and then we had to improve it. We had to send more people to Winnipeg and we had to improve the whole production centre to bring it up to network standards.

Mr. HANSELL: I would like some information about that item on displays and exhibits, \$257.74.

The CHAIRMAN: We have passed that point, Mr. Hansell. I am not saying that you do not go back to it—

Mr. HANSELL: Well, never mind then. Can you tell me how many programs you put on during the daytime; and, also, I would like to know not only how many programs you have but how many producers are engaged in connection with those programs during the daytime?

Mr. BUSHNELL: I didn't quite get the latter part of your question.

Mr. HANSELL: I wanted to know how many programs you put on during the daytime and how many producers are engaged in connection with them?

The WITNESS: I could give you some rough figures, and probably Mr. Bushnell could add to them. The number of programs we put on now—it will be a little over 60,000 network programs a year; that is apart from programs on individual stations when they are not connected with network. Of those, around 48,000 are originated in Canada. What proportion of those would need artists and what would not need them is a little hard to say. You don't need an artist, of course, for a recorded program. Perhaps Mr. Bushnell could give you something more on that.

Mr. BUSHNELL: From the 1st of April, 1948 to March 31st, 1949 we put out a total of 63,869 programs on the network covering 19,791 hours and 35 minutes.

Mr. HANSELL: And that included recordings?

Mr. BUSHNELL: That included recordings.

Mr. HANSELL: And the number of programs requiring producers and artists?

Mr. BUSHNELL: Well, even a recorded program requires a producer but that producer is usually a staff employee. I think it is safe to say that of the 48,000 programs that we originated on a network basis that at least 60 per cent or 70 per cent of them were live programs requiring artists.

Mr. HANSELL: How many producers would you have?

Dr. FRIGON: 113 as of the 1st of April of this year.

Mr. HANSELL: And I suppose one producer would look after a number of programs, would he not?

Mr. BUSHNELL: He would average five to six a week.

Mr. HANSELL: Just one other question. I suppose the producers do try their best from the standpoint of expenditures to cut down on the number of artists required. Is it possible for one artist to fill two roles?

Mr. BUSHNELL: If he does we pay him for it. That is the union regulation, we pay the same for two roles.

Mr. HANSELL: If an artist takes on two or three roles you have to pay him just the same?

Mr. BUSHNELL: Yes, at the same rate. Actually, according to the union scale of rates, it is cheaper sometimes to engage one artist to play two roles, if one is a minor role; if he says "Boo" very often he won't charge us for it, but if he has to speak a full sentence you pay him about 25 per cent more.

Mr. HANSELL: That is covered pretty well by union rates?

Mr. BUSHNELL: That is right.

Mr. HANSELL: I have one or two questions of a general nature which I would like to ask and perhaps the answers cannot be given accurately, or immediately, so I would suggest that if they cannot be answered right away that the information can be brought down at some future time. Is that all right?

The CHAIRMAN: Yes.

Mr. HANSELL: I would like to know just the amount spent for daytime broadcasting up until we will say six o'clock in the evening, and I would like to have that information broken down—I only want round figures, I am not interested about the odd dollars—I would like to have that broken down between staff programs and commercial programs.

The WITNESS: I do not see how in the world we could give you a figure that would mean anything there because for any production in broadcasting, there is a basic cost already. But how much you would allocate to a daytime program and how much to an evening program would be very difficult to say. You have part of the staff on duty partly in the daytime and partly in the evening, and you have some of the night staff who also do work in the daytime as well as the work to do at night. You have all sorts of charges. I think it would be impossible to give you any sort of a figure that would mean anything, even in very rough terms.

Mr. HANSELL: Well, anything possible. I would like to have that information.

Mr. BUSHNELL: Our production people work on staggered shifts, and it would be impossible to allocate any particular costs.

Dr. FRIGON: Would you include artists' fees as part of the cost?

Mr. HANSELL: I mean the costs of the program. I would like to know how much money you would pay for broadcasting in the daytime.

Dr. FRIGON: It would be very difficult to work that out. One angle of it you have to keep in mind is this, that you have to keep your network alive all the time, otherwise it is not at your disposal when you need it for any special event, or if you are faced with an emergency or anything which has to be done on short notice. Another point is this, that if your station is not on the air all day long it gives the impression that your station is not as popular as others which are on the air all day. In other words people develop listening habits and a station or two or three stations on the air only six hours a day have no show at all. If you want to have customers and a live network which can be used at any time you want, you are practically forced to be on the air during the normal broadcasting periods.

The CHAIRMAN: That is not quite a direct answer to Mr. Hansell. You are telling him that if you did certain things there would be certain other results. I guess that he would probably agree with you about that, and probably knew it, but he is really wanting to find out if you just stopped and took whatever the consequences are—if you stopped broadcasting in the daytime—how much would your costs be cut? It is agreed that there would be other consequences. Is not that about it?

Mr. HANSELL: Yes. I recognized that it might not be a good policy.

Mr. MURRAY: What would be daytime?

The CHAIRMAN: We have not defined that but it could be defined.

Mr. MURRAY: There are four different zones?

Mr. HANSELL: Yes, I recognize that.

Dr. FRIGON: The cost of the lines per hour would be much higher. We have lower rates because we use them sixteen hours a day. That would be the first

consequence. You would have to have a great number of staff in the daytime nevertheless, to prepare your programs. It would be extremely difficult to break it down into daytime and evening costs. For instance your station's carrying capacity is the same but the personnel might be cut down a little, not much. Your fuel bill is the same. To figure it all out is not easy. It is easy to know what would be the consequences and drawbacks and difficulties but to add it up in dollars and cents is difficult.

Mr. BUSHNELL: You would save the costs of the school broadcasts, the farm broadcasts, the news broadcasts.

Mr. HANSELL: What was that?

Mr. BUSHNELL: You would save the costs of the school broadcasts, the farm broadcasts, the news broadcasts, and the women's broadcasts. As far as I am aware only the C.B.C. provides those to any extent.

Mr. MURRAY: And the religious broadcasts in the mornings.

The CHAIRMAN: What was that again?

Mr. MURRAY: You would save the costs of the religious power which comes on after daylight.

By the Chairman:

Q. I want you to understand that in the questions I am asking or the statement I am making that I am speaking in the character of the devil's advocate. I want to go into the question of you cutting your costs down to the amount of money you have at your disposal at the present time. We have touched on that two or three times in the committee and it just seemed to be the view of everybody that the service you are giving has to be continued. It just seemed to have been that view in the committee. I might be wrong but that is the way it seemed to me and I would like to get as clear a picture as we can of the consequences of, as the expression goes, "cutting your suit according to your cloth?" Now just state again your total revenue—your total budget?—A. \$9 million.

Q. Yes, \$9 million. Now, spending \$9 million you are going to have a deficit of what?—A. Around \$900,000. \$9 million is the operating figure, not including loan interest or depreciation.

Q. Well it would be fair to say, or at any rate, it would not outrage truth too greatly if we say that if you spent \$9 million you are going to spend almost \$1 million more than you have?—A. Pretty close to it.

Q. Now, then why not get along without that \$1 million and operate on the \$8 million budget?—A. I think perhaps the best way to consider it, Mr. Maybank, would be to look at the breakdown item you have just been considering and just see what would happen if you started cutting.

Q. That is the picture I want to get. I am not talking so much now for myself but I would like to see it as a matter of record. I would just like to know what would be the consequence of saving \$1 million. If you save \$1 million you are theoretically \$1 million better off, but what are the other consequences?—A. The first consequence would be you would have to take quite a slice off artists fees. That is the figure that limits the amount and quality of your programs.

Q. The amount there is \$1,500,000?—A. \$1,700,000.

Q. Yes, \$1½ million?—A. Just about, for this year. If you are going to make a real cut you would obviously have to take several hundred thousand dollars off that.

Q. About \$700,000?

Mr. FLEMING: He said "several hundred thousands."

By the Chairman:

Q. I thought you said seven hundred thousand. About how much would it be?—A. Say \$400,000.

Mr. KENT: How could you cut it there? They have to go by the unions?

The CHAIRMAN: Oh, yes, you could not get the same number of artists. It is understood in cutting by about \$400,000 Mr. Dunton would have to cut off so many people and so many programs.

Mr. KENT: We might have a strike.

The CHAIRMAN: You are going to save \$400,000, we will suppose, in artists' fees. Now go on, what else goes out?

The WITNESS: A number of Canadian programs.

The CHAIRMAN: Such as—

The WITNESS: Startime.

Mr. BUSHNELL: Stage 50 would be the first one to go out the back door because it is one of the most expensive ones and that is where we would have to start. It would be no use trying to save \$10 in a program here and \$10 in a program there. You have got to save it in chunks. That would save about \$75,000.

The CHAIRMAN: That is a sizable chunk of money.

Mr. HANSELL: May I ask another question along the same line or would I be interfering with your continuity?

The CHAIRMAN: I emphasize again that I am asking questions as the devil's advocate. I am not asking and implying in the questions that I approve of having done that which is being drawn out.

Mr. HANSELL: I do not think any of us do that.

The CHAIRMAN: I do not care whether you break in from time to time—it is often helpful—but this is the line that I, for a little while, desire to follow. I think both the House of Commons and the public ought to know what the factual situation would be as a consequence of saving \$1 million.

Mr. FLEMING: May I suggest that you clarify one thing in your question. It should be made clear that it has reference to the tentative budget for the year 1950-51. You are making a proposal to take the \$1 million off now.

The CHAIRMAN: At the moment.

By Mr. Fleming:

Q. Putting it alternately you could go back to 1948-49?—A. You could not now because we are operating on new costs.

Q. But for purposes of getting back to the total expenditures in 1948-49?—A. Well, if you like; but we are operating on 1950 costs.

Q. Yes, but I am only trying to define the limits of the question.

The CHAIRMAN: It would mean that although, in arithmetic, taking \$900,000 off your next budget might put you back where you were in a former budget, it would not mean just reverting to that earlier budget, because you have got new machinery into operation.

Mr. FLEMING: Yes, but just make it clear that the \$1 million figure is off the 1950-51 budget.

The CHAIRMAN: That is right.

Mr. HANSELL: May I ask you to give the consequences of eliminating all commentaries?

The WITNESS: Comparatively little. They are a quite cheap form of program.

The CHAIRMAN: Can you state in round figures what you would save on commentaries?

Mr. BUSHNELL: Our estimated expenditure next year is \$85,000. Let me suggest that you have still got to fill in the space with something and com-

mentaries are about the cheapest form of entertainment—if you can call them entertainment they are the cheapest form per minute.

The CHAIRMAN: If you saved that particular \$85,000 you would have to do something with the vacant space?

Mr. BUSHNELL: You would play records and even the cost of the records would be \$5,000 per year.

The CHAIRMAN: The \$85,000 would not be net.

Mr. BUSHNELL: No.

Mr. KNIGHT: Does not this boil down to this: if you are going to cut down programs with the object of saving money are you not going to do the very thing which I do not want to do, and that is by way of commercial programs you will make our lines sort of a continuation of those of the United States.

The CHAIRMAN: You may be right but this is a matter of argumentation. All I am asking is that we might get the factual picture of what would result from a saving of \$1 million.

Mr. KNIGHT: But is it a fair question? You could take a \$1 million saving yearly and you would kill the C.B.C.?

The CHAIRMAN: That is right.

Mr. KNIGHT: \$1 million taken from one place and all your wheels will be idle?

The CHAIRMAN: That is exactly what I want to get on the record—the manner of the death that would take place. I am not thinking about you nor any member of the committee, I am thinking about some other people.

Mr. MURRAY: If you are cutting out the commentaries what about cutting out the sports broadcast? Could we get along without them?

The WITNESS: I might say the first figure given by Mr. Bushnell would cover a number of other programs—things like Citizen Forum, Cross-section, In Search of Citizens, In Search of Ourselves, and so on. It is not only the straight commentaries that would be affected.

By the Chairman:

Q. Mr. Dunton, let us approach the thing in this way. You are under absolute orders, instructions, or notice, or whatever words you wish to use, that the \$1 million deficit is not going to be met and there are not going to be any more deficits met. That is the position which you are in; what are you going to do about it?—A. Start to cut expenditures drastically.

Q. That is what I want to get you to tell us; what are you going to do if that is the statement which is made to you?—A. In general terms we have first to cut out completely quite a number of Canadian programs including a number of them that are getting a lot of credit now, and then greatly reduce the quality of others.

Q. Why have you emphasized the word "Canadian"?—A. Because we produce a great number of Canadian shows on the air.

Q. And the American programs bring in money?—A. The commercial ones, yes. If they are sustaining they neither bring money in nor cost us anything.

Q. You would be in a position of not having any waste space where you would cut something out in order to save money and you might use something to fill in with? You would fill in with something that you would get free from the United States, is that right?—A. In some cases, yes. If not, when we are really trying to save money, by playing records.

Mr. KNIGHT: It would also probably cause you to waste your money. I will keep the music and you can have your pink pills.

The CHAIRMAN: You and I might agree on that, but what I want to know is what the disease will look like after this has been done.

Mr. KNIGHT: A corpse.

Mr. HANSELL: Do I get the picture correctly in respect to the vacant spaces that would happen if you cut out certain programs? Is it not true that the only places where they would be vacant would be on the C.B.C. stations? The other stations would continue to operate just the same at their own expense?

The CHAIRMAN: They would have more time on their hands.

Mr. HANSELL: They would have more time on their hands.

The CHAIRMAN: That is right.

Mr. HANSELL: I am a devil's advocate too, if you want to put it that way. The vacant spaces on your own stations, if they were silent for that period of time, would result in the loss of the audience for the time being and you would have to pick it up on subsequent programs, which is very difficult to do. Is that not the picture?

The WITNESS: You simply cannot run a modern broadcasting station going on and off the air. You have to do something on the air, even if it is only playing records.

Mr. HANSELL: I quite agree you cannot be on and off all the time; you must either be off or on. I guess that is true.

The CHAIRMAN: What else could you cut out?

Mr. STEWART: Wednesday night.

By the Chairman:

Q. Excuse me, we have got to this particular line of questioning because you said most of it or a good deal of it would be saving \$400,000 in the musicians' and artists' fees, and that is why the questions have been put on the matter of cutting programs and that sort of thing. Now, is there anything else you can suggest too, to build that up to \$400,000? You had \$85,000 and \$75,000, was it not?—A. One possibility would be cutting out the whole Wednesday night operation, which, as Mr. Bushnell said, would save about \$150,000 a year if you cut that whole evening off, just have nothing but American shows, if you could get them, which you cannot be sure of, or by playing records.

Q. But if you save \$400,000 on the artists' fees, you still have to find some place to save \$600,000 more?—A. Then you start that by firing staff.

Q. Well, I presume you would have got rid of some already, would you not?—A. Not necessarily. This would be simply on artists' fees.

Mr. MURRAY: Why not cut the whole system off at the head of the lakes, and leave out western Canada?

The CHAIRMAN: Yes, and I hope that Boisvert and Gauthier and Langlois do not throw something quickly at me—what would you say about cutting out the French network?

You are in the position of having \$8 million for a \$9 million operation. What are you going to do about it?

Dr. FRIGON: I might add a remark. Instead of cutting out the western provinces or the eastern provinces, better cut out Montreal and Toronto.

The WITNESS C.B.C. impartiality.

By the Chairman:

Q. Well, just the same, you see, you will find about the country a certain amount of opinion that when there is only a certain amount of money, an operation should be run on that amount of money, and you will find some opinion around the country of that sort, which is what you might call induced or developed

or stimulated, and that is what I want to meet. You have only \$8 million and you have a \$9 million operation, and we are not going to get any more money.—A. Might I continue that? Having slashed off or cut down the number of your programs, then you would have to start getting rid of the members of your staff because our board feels that our salaries are pretty much at a minimum now. Therefore, the only thing to do would be to discharge people, and the only way you could meet that would be by actually cutting out whole operations or sections of operations. For instance, you might cut out the whole farm programs, the whole news department, cut out school broadcasting, and other things which would be worth while from a point of view of saving money. You would have to cut down live broadcasts from regional points. We could merely close up our production centres at some points or at least reduce the operations there or just let them run on the network.

Q. Would one part of the country or some parts of the country suffer more than others?—A. I was going to go on to say that you would get quite a piece out of salaries and you would also have to take something out of the third very large item, our transmission lines. We have a basic contract there covering the main points of the country. To get any sort of worth while reduction, we would have to cut some of the outlying districts not covered by the basic contract.

Q. You have a basic contract and the way you increase is by extending the tentacles of the system to a certain extent?—A. That is right, and if we are trying to economize, we would have to lop off some of the tentacles.

Q. Such as what places?—A. It is very difficult to mention some.

Q. It would be very dangerous to mention some, but we have got to get it down on the record. Where?—A. The only logical way would be to cut off some areas where it is costing more money to serve fewer people.

Mr. LANGLOIS: You will not cut off Gaspé because we have not anything now.

By the Chairman:

Q. Well, what are some of those places?—A. It is very difficult to name names when I have no authority from the rest of the board. We do not know what we would do.

Q. But what could you do?—A. There are some areas like the Abitibi region in northern Quebec, which are relatively expensive simply because of the cost of the wire lines. There are some areas in the interior of British Columbia where the costs are heavy, generally from the wire connections. You would annoy less people and save more dollars by cutting out those connections.

Q. Then, it is fair to say that so far as wire line savings are concerned they would be saved at the cost of what we call the hinterlands or more distant places?—A. It would be the only way we could do it because of our basic contract which, in general, covers the main points of the country.

Q. How long does the basic contract run?—A. Two years in September.

Mr. LANGLOIS: In other words, you will not have an alternative network if you do that?

The WITNESS: No, and as we have explained before, we had a number of areas which we should serve and shall serve if we have the funds to do it.

Mr. GAUTHIER (*Portneuf*): You mean Gaspé?

By Mr. Hansell:

Q. Mr. Chairman, when did the dominion network commence?—A. It got started in 1943 and began operating in 1944.

Q. What would you save by cutting out the second network?—A. Not a great deal. We can operate it comparatively economically now, under the

form of our wire lines contract. The cost of the lines is relatively cheap and then, we have no stations outside of Toronto to maintain on it, and while we do not get great commercial revenues from the shows carried on the private affiliates, at the same time we are getting a certain amount of commercial revenue. The general net cost of maintaining the network is low. But we would save something.

Q. Have you any idea how much, approximately?—A. I would think somewhere around \$200,000 or \$300,000.

Q. That is quite a chunk.—A. That would be cutting a whole national alternative service.

By the Chairman:

Q. What would you cut out? What would the public be deprived of by that saving?—A. They would be deprived of what I think is now a pretty interesting, entertaining and often very useful evening service right across the country from Halifax and Sydney to Victoria and Vancouver. I think that the savings would be very small in relation to the service provided.

Q. I think people will agree that that might be done, and that is so, but still you say that you could save by cutting out the alternate service. You can save how much, did you say?—A. \$200,000 to \$300,000.

Q. \$200,000 to \$300,000 can be saved by just wiping that off. All right. Now, I am not a steady listener myself. What sort of programs would the public be deprived of?

Mr. MURRAY: Maple Leaf Gardens?

The WITNESS: Let us start with Sunday night. The array of programs is largely commercial but they would not be carried if the alternate network were not continued—Edgar Bergen and Charley McCarthy, C.I.L. Serenade, and a number of others which are very popular.

Mr. MURRAY: McGee and his wife?

The WITNESS: No, that is Tuesday night. Then you would have the Toronto Symphony Orchestra. Monday night you have a very good program called Opportunity Knocks, which has given a chance to a great number of Canadians to get on the air.

The CHAIRMAN: I have not kept track, but would you say that you have, in your answers, as yet added up to a saving of \$1 million?

The WITNESS: I have not kept track very well, but I do not think I have.

The CHAIRMAN: I do not think you have either. I think you will have to cut out a great deal more to save this million dollars.

The WITNESS: I could give a figure on salaries, but that would be a question of how many areas or departments we stopped entirely.

Mr. HANSELL: Suppose, Mr. Dunton, you cut out the entire news service. Would any part of the country particularly suffer? Do not most of the areas receive news services anyway?

The WITNESS: I think there are a great many areas, Mr. Hansell, which do not get adequate news service from any other source: large parts of western Canada, of the north, and considerable parts of the east. But, again, it is a question of whether you are running a broadcasting service or you are not.

Mr. MURRAY: Perhaps I could say something there. I think the news service is a very valuable service.

Mr. HANSELL: I agree there.

Mr. MURRAY: Outside of the cities; I am speaking for the more rural areas.

Mr. HANSELL: I am merely asking the question: would any part of the country be unserved if the C.B.C. cut out their news service? I am not advo-

cating cutting it out. I like their news service, I would rather listen to their's than any other. I think that every station in the country carries three or four news broadcasts a day apart from network news.

The CHAIRMAN: Now, is this a correct statement that a number of outlying stations have no means of getting news if they do not get it over the C.B.C. network, and hence no way of distributing it.

The WITNESS: I think most stations have some way of getting some news.

Mr. MURRAY: Well, I may say that the smaller stations cannot afford it. I have seen stations which have had to pay \$400 a month for teletyped news and they could not afford it. It would be the mining camps, the cattle ranches and the lumber camps and places like that, Great Bear Lake, and Fort Radium and places down along the Grand Trunk Pacific and Skeena that would suffer.

Mr. LANGLOIS: By cutting your news service this would not affect the popularity of your other programs, or would it?

The WITNESS: Very seriously because it would not be a proper broadcast service. We feel it has to give information.

The CHAIRMAN: Now, Mr. Dunton, these questions came to you without any warning, where you were asked to save, or hypothetically you were asked to save, a million dollars. Would you be able to, without spending a great deal of time on it, to address yourself to the question on how theoretically, a million dollars could be saved and the consequences of it so that we might be able to have it upon the record.

The WITNESS: If it could be on a completely theoretical basis, yes, but if the corporation is going to have to do that, the board of governors are going to have to make decisions that will be the worst they ever had to face.

The CHAIRMAN: I recall to you, as I have said more than once—and Mr. Hansell asked the same thing—that I am asking, these questions as a sort of devil's advocate and I have also said three or four times that the object of getting this sort of a statement upon the record is so that that part of the world which is interested may know. There is the idea.

Mr. HANSELL. It is not also, Mr. Chairman, that at the present time this is the all-important subject, of whether we are to supply some more money. Now, when I went to Montreal I was convinced we had to supply some more money, but whether we will go that far or not in our report, I do not know. We will have to make an attempt to answer that some way or another because it is either an increase in the rates, the licence fee, or a tax on the people or the cutting of services or something.

The CHAIRMAN: Yes, let me put it this way, for example. Suppose, we were dealing with this in a report and suppose we were to say that in the circumstances C.B.C. cannot very well cut any services. The truth of the matter is that up until now we have not had that specifically dealt with in evidence and sometimes some people say, well, you cannot very well put so and so in your report, there is no evidence on that. I feel that the committee might wish to deal with this sort of thing in a report; therefore, I wanted to see a statement and consequences in that regard.

The WITNESS: I could give you a statement of one way in which the money could be saved.

The CHAIRMAN: I want to be seen clearly the consequences of this being done; if there are alternative ways of saving the money mention them, but stressing that this is a theoretical proposition.

Mr. MURRAY: Mr. Chairman, in the field of theory, may we also go a step beyond and estimate the influence of radio upon the industrial life of the country, its contribution to peace and good will in the industrial communities

especially those far removed from the cities. Have we created and made part of our daily life this system of radio. Now, you would have to go beyond the dollar element there.

The CHAIRMAN: That is what I meant when I said I want to see the consequences.

Mr. MURRAY: We have strikes. We have men who think they are unjustly treated, who listen to the radio in the camps throughout this country and in the remote places. The radio makes a great contribution to the lives of those people.

Mr. GAUTHIER (*Portneuf*): That applies to the farming districts too.

Mr. MURRAY: Yes, and beyond that into the great mining and timber areas.

The CHAIRMAN: If you try to bring in something of that sort I think it would be helpful to the committee in drafting a report, unless there be any doubt about it. Still, if there could possibly be any doubt about it, I want to make it clear that I am not in favour of such savings but am very definitely against such savings, but that does not alter the fact that the statement is necessary.

We ought to stop a few minutes earlier, gentlemen, about a quarter to six. Mr. Fleming, before he left, suggested we might start a little later than 8.00 o'clock.

We will resume at 8.30 o'clock.

The committee adjourned.

The committee resumed at 8.30 p.m.

The CHAIRMAN: I see a quorum, gentlemen.

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

I think we probably have completed now the examination into finances. As I recall it we would only have consideration of the acquisition of the buildings down there.—That comes right in order after finances generally, I should think—and we have got a discussion of the estimates. I think that is all we have on the agenda for the C.B.C. Does anybody want to ask anything about the acquisition of the Ford building?

Mr. FLEMING: Mr. Chairman, I was wondering about and thinking something of this matter. When the committee met in Montreal on Monday those of us who had the opportunity of taking that very instructive tour through the building in Montreal and hearing the statement made by Dr. Frigon may not feel that we need very much in the way of information, except perhaps in regard to the purchase negotiations and matters of that kind. But I was wondering for the record and for the benefit of those members of the committee who were not able to go to Montreal for the meeting on Monday if there should not be something on the record along the lines of the statement that Dr. Frigon made to the committee on Monday. After all, this matter has been touched on in the House and I should think that our proceedings would not be complete, as a committee this year charged with the task of reviewing, if we do not have something on the record about this matter. I suggested it to you, you will remember, and I discussed the matter with Dr. Frigon, as to the possibility of having a memorandum submitted to the committee at this meeting covering the point on which the committee was informed by Dr. Frigon at the meeting in Montreal on Monday.

The CHAIRMAN: We had some chat, you and I, Mr. Fleming with Dr. Frigon about that after the occasion you spoke of. Have you found it possible to give us anything of that sort?

Dr. FRIGON: May I suggest that I can file this first statement which is the short talk I gave to you in Montreal, where you have a summary of the reasons for having that building; and then I can also file with the committee the further part of the statement giving you the particulars about the building, maybe you do not want that on the record.

The CHAIRMAN: It would be my inclination to have it right on the record, the whole thing.

Mr. FLEMING: I think so too, Mr. Chairman. This is a very important matter and I think it should be on the record.

The CHAIRMAN: What are you leaving out there?

Dr. FRIGON: That is what I gave you in Montreal on Monday. There are a few corrections which were really typographical errors, but we have on the first page the story of the reason why we purchased the building, and the second part of it contains statistics—the cubic content, the floor area, the use of the building and the characteristics of some of the equipment. I do not know whether you want all of that in your minutes. The first page might be printed but I do not know that the second part contains very much of interest to the committee.

The CHAIRMAN: Well, the second part of what you handed me here is all descriptive of the sort of thing we bought for the amount of money which is mentioned in it, isn't that right?

Dr. FRIGON: That is right.

Mr. FLEMING: That is a very important matter and I think the record should contain the full statement.

The CHAIRMAN: Yes, I would think so. What has been extracted from this? Dr. Frigon said he took the first page, but you did not take out anything there. I thought you said you had extracted something?

Dr. FRIGON: No, no, it is all there.

The CHAIRMAN: Well, this was prepared and handed to those of us who were in Montreal and all who did go down there received it and any who did not go down did not have an opportunity of reading this statement. It might, if you wish, be incorporated in the record as if it were now read; and, also, in case any of you desire that it should be read the reporter need not keep pace with the reading. Would you like to have it read?

Mr. KNIGHT: I move that it be incorporated into the record.

The CHAIRMAN: Do you want it read, or do you want it taken as read?

Mr. RICHARD: Take it as read, Mr. Chairman.

The CHAIRMAN: Very well, then, it will go in the record at this point.

On November 2, 1936, the Canadian Broadcasting Corporation took over the facilities of the Canadian Radio Broadcasting Commission. These included, in Montreal, 4 studios and offices occupying half of one floor in King's Hall Building, one of the oldest on St. Catherine Street. The studios had been built by the C.N.R. in 1929, as temporary facilities, and like the rest of the building, were not fire-proof. They supplied programs, six hours per day, in French or English, to a 5 kw. station owned and operated by the Canadian Marconi Company.

On November 2, 1936, the Corporation had 20 employees in Montreal. Next fall, there will be 600 employees in the Radio Canada Building and accommodation for approximately 600 artists and musicians who participate in programs every week.

Radio Canada Building will house part of the Executive of the C.B.C., the Engineering and the Personnel and Administration Divisions Headquarters, the French Network headquarters and the International Service headquarters. The studios will produce programs for 2 50 kw. stations, operating 16 hours per day (one for French and the other for English languages); 2 FM transmitters, 3 networks, and also for the International short-wave transmitters located at Sackville, 18 hours per day, in 12 languages, plus occasional programs in other languages.

Besides offices, there will be 26 studios, one of the largest and most modern Master Controls in the world, an adequate Recording Room, a Reference Library, a Music Library, a Recording Library, a number of small Board Rooms and Listening Rooms, Artists' Lounges and lockers, and a Board Room with adjoining offices for the Board of Governors and other uses.

One whole floor will be occupied by the staff of the Montreal Television Service in connection with Television studios now being built at the back of the main building.

The cost of transforming the Ford Hotel will be approximately \$2,100,000 of which approximately \$1,300,000 will be for architectural changes and \$800,000 for new equipment. When completed, this will be one of the most important radio centres in the world. Its bigness is due to the multiple services housed under one roof.

The C.B.C. is contemplating a similar centre for Toronto on Jarvis Street and later, on a much smaller scale, in Vancouver and possibly Winnipeg. The first permanent unit will be under construction within a few months when the construction of Television studios, transmitters and offices will be started.

Here are some outstanding facts and figures on the new Radio Canada Building in Montreal, which will be in full operation in September 1950:

General Statistics on the Building

The Radio Canada Building will be the most important and modern Radio centre in Canada.

Total floor space: 173,000 sq. ft.

Total cubic feet: 2,000,000

Purchase cost: \$2,200,000

Transformation cost, including equipment: \$2,100,000 approximately.

Radio Canada Building will house the national headquarters for Engineering, Personnel and Administration, International and French Network Services and the Montreal TV Service of the Canadian Broadcasting Corporation.

There are 26 studios in all: 9 studios on the Ground floor, 6 studios or language booths on the Mezzanine floors and 11 studios on the 2nd floor. The studios are specially designed to eliminate extraneous sounds, the floors, walls and ceilings being suspended from the main structure.

The original layout of the ex Ford Hotel was kept intact wherever possible and allocated to office space.

The Records Library will have 40,000 records.

The Music Library will have \$100,000 worth of sheet music.

The Central Registry will have 50,000 files.

There are 3 small Board Rooms in the building, 9 Listening Rooms and 4 Artists' Lounges.

If funds are available, a staff canteen will be provided in the Annex, with a sitting capacity of 140. It will be available to the staff and to artists, writers and musicians directly concerned with C.B.C. program production.

A "Board Room" is used as a conference and meeting place for all C.B.C. Services. It is also at the disposal of the Governors of the C.B.C. when they are sitting in Montreal, for public hearings or other businesses.

Master Control

The Master Control of the Radio Canada Building is the only one of its kind in North America. It was built by the Northern Electric and costs approximately \$170,000.00. It is capable of handling 5 transmitters, 8 outgoing networks and 7 incoming networks.

Twenty-seven programs originating on the premises can be fed through Master Control simultaneously: 5 to transmitters, 8 to networks and 14 to the Recording Room.

The Master Control has also 7 connections for incoming networks: Trans-Canada, French, Dominion, N.B.C., A.B.C., C.B.S., and one set-up for special network connection service.

It has 187 amplifiers built in an unusually limited space.

It will be called to feed monitoring facilities to a maximum of 50 offices scattered throughout the 12-story building.

It is designed for a "one-man" control. The main operating controls are centralized on one board within reach of the operator in charge.

It can combine 3 different language announcements on the same musical program for distribution in 3 separate listening zones, (such as Australia, Brazil and Czechoslovakia).

It will be feeding 6 time zones occasionally split up in networks, and sometimes a 7th by means of military short-wave circuits.

It will also feed numerous programs to Rediffusion Inc., Mount Royal Hotel, R.C.A., Walter Downs studios, etc.

In all, the Master Control will carry approximately 40 hours of broadcasts daily.

For the purpose of co-ordinating technical services, a separate switchboard is provided in Master Control, which has approximately 70 lines. It is connected to the main telephone switchboard.

Recording Room

The Recording Room is the largest of its kind in Canada and is equipped with the most up-to-date facilities. It is designed for 12 disc and 8 tape recorders, 14 of which will be in operation in September 1950.

There is an automatic program selector at each recording table, which will be able to pick any of the 50 programs passing through the Master Control, at choice.

If required, the 20 recorders will be able to register simultaneously the same program or any program.

All recorders are "plug-ins" to facilitate ease of maintenance and interchangeability.

It is foreseen that 18,000 recordings will be cut annually in the Recording Room.

The Recording Room has devised a special delay operation system, which can be illustrated as follows: Suppose a program is coming in at 5.00 p.m. and is to be broadcast at 6.00 p.m. A recording operator selects the line from Master Control carrying the program, records it on tape, puts the tape back at the starting point and patches the tape recorder to, let's say, Studio 20, from where it will be fed later to a network. At 6.00 p.m., the operator in Studio 20 will press the tape start button and the program will then start automatically. In other words, this new device saves considerable additional play-back equipment and personnel.

Chips coming off the discs when cut, which are highly inflammable, will be removed by a suction system and will automatically be shipped downstairs to be cooled in a water collector.

Teletype Room

The Teletype Room on the 7th floor, servicing both International and National sections, is equipped with the following:

- One domestic, connected to Toronto and Ottawa;
- One connected to Ottawa, New York, Washington and External Affairs;
- One to United Nations at Lake Success;

Two provided by Canadian Pacific and Canadian National Telegraphs for transmission and reception of telegrams throughout the world.

Telephone Switchboard

The main telephone switchboard is actually operating with 300 locals and provides for 600.

Starting in September, the telephone switchboard will be opened from 7.00 a.m. to midnight to receive incoming calls. All inter-office communications are performed by an automatic dial system which does not require any manual operation. At present, the telephone switchboard has 21 trunk lines to Central, and there will be 40 lines operating in September.

News Room

The News-room is connected by teletype with Canadian Press and British United Press for Canadian news. Also with France-Presse, directly from Paris, France, and with London, England, through Reuters, making a total of 6 teletypes.

International Service

The International Service started operations in February 1945 with broadcasts to Europe in English, French, German, and Czech. There were then 55 employees. It now operates with 201 employees and it is responsible for the daily broadcasting by short-wave in 12 languages (including French and English) to 48 different countries and dependencies in Europe, Latin America and South Pacific. The foreign languages are: Czech, German, Austrian, Dutch, Swedish, Norwegian, Danish, Italian, Spanish and Portuguese.

The International Service is on the air 15 to 18 hours daily and puts out 277 different programs every week.

I.S. programs are carried by land-line to the two 50 kw. short-wave transmitters at Sackville, N.B. (a distance of 800 miles).

More than 150,000 letters have been received from listeners from all parts of the world. Sixty-five thousand copies of the program bulletin are mailed out each month, on request, to listeners.

Engineering Service

Since the formation of the CBC in 1936, the Engineering Division has been responsible for the designing, planning, construction and operation of 43 radio stations and all broadcasting facilities connected with them.

The Engineering Division is formed of: Executive, Architectural, Plant, Operations, Transmission and Development, Purchasing and Stores Departments, where can be found experts in radio frequency propagation and coverage statistics, in studio designing including acoustical treatment, ventilation and heating, in electrical and mechanical engineering, in FM and TV.

Television Service

TV staff offices will occupy the 6th floor of the Radio Canada Building.

The new TV building, which is presently under construction in the rear lot adjoining the Radio Canada building, will be equipped with 3 TV studios,

(60' x 90' x 28'; 30' x 60' x 20' and a film studio). This 5-story wing will also accommodate all services directly connected with TV program production. It will include a Master Control Room, storage space and shops, and other accessories needed for a modern TV installation. The basement will have a painting and carpenters' shop.

There will be direct access from the street to the large TV Studio.

Refrigeration for the Radio Canada and TV buildings will be centralized in the basement of the TV wing. The new building is so designed that two additional floors may be added at a future date, when needed.

Incidentals

Radio Canada Building is equipped with a standard multiple clock system giving second indications instead of minute or half-minute pulses as in most other systems. It is a pendulum control system and is battery operated so that power failures will not affect it.

There are means of checking the clock system against standard time signals so that the time shown on any clock is accurate to better than one second a day.

Besides the usual power and light wiring system operating from the Quebec-Hydro service, there is a battery system for operating emergency lights in all shut-in areas. These battery lights go on automatically when the main power fails.

Radio Canada Building has provided locker rooms in its basement to accommodate approximately 100 artists.

There are two ice water fountains on every floor connected to a special refrigeration system in the basement, originally belonging to Ford Hotel.

MONTREAL, June 5, 1950.

Mr. FLEMING: Dr. Frigon had another page there.

The CHAIRMAN: That is what made me think he had taken something out, but that was an error on my part.

Dr. FRIGON: Except I think that sentence at the end of the first page covering our projects in Vancouver and Winnipeg—that is the only change to what you received in Montreal.

The CHAIRMAN: Now, are there any questions with relation to the Ford Hotel?

Mr. KNIGHT: Mr. Chairman, when you were asking those leading questions as to the manner in which money might be saved—questions which, may I say, in relation to your own remark, did not include anybody, I was thinking at the same time that I might suggest a little extra expenditure, and I am asking this as a matter in regard to operation. But one of your queries was whether we could cut out services to certain districts which were not all being well served.

That brings up this matter, and I am introducing it at the request of Mr. Herridge, who is the member for Kootenay West. He brought to my attention the fact that he has a good many complaints from his part of the country in regard to radio reception. He lives on some lakes, I think, close to the village—if "village" is the right term—of Nakusp and it is in the general Trail area. He gave to me various letters which he had received, some from municipalities both rural and urban and some from individuals complaining of the situation.

The situation, as I gathered it, is this, that during the daylight hours reception from the neighbouring stations—I have forgotten the names of them, I think there is one in Trail—is fairly good but in the evening it is just impossible, and the only thing that they can get is reception from the United States stations which may be all right but some of the people would rather have reception from the Canadian stations.

So, I thought I could take a moment perhaps to bring that matter up. There was also a query on the part of one or two of these official bodies as to whether the C.B.C. had a sufficient number of inspectors on the job to check up things such as preventable interference. There was one letter that queried as to whether there was perhaps some gadget which could be attached to certain interfering agencies—I presume engines and things like that—and the writer wondered whether such appliances were being used to their fullest extent.

I think that is sufficient perhaps for me to say to bring the matter to the attention of the officials of the corporation and have it on the record, and Mr. Harry Herridge's interest in that particular matter will be served.

I do not know whether Dr. Frigon would care to comment on that particular situation. I think it is well known that the interior district of British Columbia, or certain interior districts, suffer greatly from interference. It may be a general lack of efficiency due, I presume, to geographic conditions in that area.

Mr. LANGLOIS: Is that service performed by C.B.C. or Transport?

Dr. FRIGON: Transport.

The WITNESS: With regard to the relay transmitter there that has been studied together with a number of other areas in the interior of British Columbia. Since no wire lines are connected to Nakusp it is difficult to do anything but it is one of the things we have in mind to which we want to bring service if we can.

Mr. MURRAY: In that connection, Mr. Chairman, I think there is a technical explanation that could be made. There are certain blind spots in the mountain area there and I have talked to very capable technicians who say that they just simply cannot solve certain problems, particularly in a heavily mineralized area such as Kootenay. Maybe some of those men who know about the technical side might tell us about that.

The CHAIRMAN: Sometimes they are blind, too, by reason of the fact that they are walled in. Is that right?

Dr. FRIGON: If they are in a mining area that would not be because of the minerals but minerals are found in stone formations and stone is a very bad conductor of electricity and, therefore, the waves do not go very far over a terrain which is stone or sand. If you go to the Cariboo district or north of these, you do not get any direct message or reception from any station. What you get are known as reflected waves, and these waves fall down at different distances from the original stations at times very far away. So what you get in the Cariboo district are reflected waves from American stations or stations such as CBW in Saskatchewan, but these are not consistent. You cannot depend on them for consistent reception and they do interfere between each other because they are either on the same frequency or frequencies adjacent to each other.

So that you notice in that district from a technical point of view it is quite natural. The only correction would be to have stations over there.

Mr. KNIGHT: That is what I was going to ask you. What would be the remedy for the situation I have described?

Dr. FRIGON: It would be easy enough to do as we do in other places—have small transmitters at strategic points with a small radius of coverage reaching the bulk of the population, but it would be extremely costly to reach people away from any centre. They have to be satisfied with whatever they get from the reflected transmission.

Mr. KNIGHT: You do acknowledge, though, that that is one of the districts which suffer mostly from this particular disability?

Dr. FRIGON: That is one among several similar districts. It is one of the bad places; there is no question about it.

The transmitter in Saskatchewan, in Watrous, operates in about the best soil you can think of for ground transmission. It has a tremendous coverage and up in the upper British Columbia region it is about the opposite, the same as part of the maritimes, the same as part of northern Quebec; the conditions there for transmission are about the worst you can imagine.

Mr. KNIGHT: This metallic situation presumably would work equally at night as in the day-time. I take it that the poor reception at night is due to the strength of the American stations which drown the others out?

Dr. FRIGON: Yes, you would have a reflected transmission at night when the sun is down.

Now, I do not know that the minerals or metals can be in any way a difficulty to transmission. If they are of massive quantity I suppose they could, but I really believe that the difficulty to transmission is not due to the metals themselves but to the fact that they are carried in rocks which have very, very poor conductivity.

The WITNESS: I do not know if you saw the memorandum on coverage needs we put in to the committee. There is one table on areas where there was wire line service to which we wished to bring coverage; and there out on areas for which there was no existing wire line service but which had asked for service, and Nakusp was one of those areas.

Mr. LANGLOIS: Where is this?

Mr. KNIGHT: In the Trail general district.

The WITNESS: Yes, near Trail, up the Arrow lakes.

Mr. LANGLOIS: I mean the memorandum you are quoting from?

The WITNESS: It was filed last week—"Estimated extension to present coverages."

Dr. FRIGON: I may add that this is strictly a matter of money. The first thing you do, of course, in broadcasting is to try to cover the most people you can with the given amount of money. As the big centres are taken care of and you start to deal with the scattered population, your cost per home may reach higher and higher.

In the Cariboo district, for instance, the cost of reaching each home is probably about four or five times the cost of the radio licence fee. In thickly populated centres like Montreal the cost is very much lower. If one had the money one could extend the coverage to the last 2 per cent who do not get good reception now.

Mr. RICHARD: But, Dr. Frigon, if you had deposits of magnetic ore, that ore would not have any effect as distinguished from ordinary ore-bearing rock?

Dr. FRIGON: I am not sure of that, I do not think so because the percentage of metal in those districts is not very high compared to the total bulk of the stone in which it is found. The radio-conductivity of the stone is more important. I think that is a small percentage, the metallic content of those stones.

Mr. RICHARD: I was talking about the magnetic content.

Dr. FRIGON: No, that would not affect it.

Mr. KENT: As a matter of fact, Mr. Chairman, I was going to say in Newfoundland prior to the hookup when the C.B.C. came in we were not able in Corner Brook to pick up St. John's on many occasions, while further west from us St. John's could be picked up; we were in between the hills, they were limestone hills, there was nothing magnetic about them but still we could not get St. John's.

Dr. FRIGON: Conditions there might have been improved by the fact we had improved the equipment, not to any great extent, but it may make a difference now.

Mr. KENT: Now we have a hookup, but that was the technical position prior to that.

Mr. GAUTHIER (*Portneuf*): From what Dr. Frigon has said about the magnetic influence on reception, can we deduce that the reception in the new mining district of Quebec, the Ungava district, will be very poor, or nil?

Dr. FRIGON: It certainly is very poor, but not because of the mineral content of the rocks there.

Mr. GAUTHIER (*Portneuf*): Have you any information on that?

Dr. FRIGON: No, I have none, but we can deduce from general knowledge that the service there is very poor. In that district they would get some reception from reflected waves from distant stations, and some shortwave reception which, unless it is designed to give a service to a particular given area, is more or less erratic.

Mr. GAUTHIER (*Portneuf*): If the soil was an ordinary one, could they have reception there?

Dr. FRIGON: In Ungava?

Mr. GAUTHIER (*Portneuf*): Yes.

Dr. FRIGON: Oh, no, it is too far away from anything.

Mr. GAUTHIER (*Portneuf*): In order to get reception there you would have to have a station or transmitter of some kind?

Dr. FRIGON: Oh, yes, and that would be costly per home service?

Mr. LANGLOIS: Dr. Frigon, especially in my friend Mr. Gauthier's riding, from Deschambault down as far as Donnacona, we cannot pick up anything on our car radios. It is impossible to get anything.

Mr. GAUTHIER (*Portneuf*): It is because of the Shawinigan power transmission lines.

Mr. LANGLOIS: Is anything being done about this?

Mr. GAUTHIER (*Portneuf*): From Deschambault down to Donnacona, it is the Shawinigan power transmission line that affects reception. Your inspectors have been working on that for years, I might say.

Mr. GAUTHIER (*Sudbury*): Maybe your radio will not work in any other place, either. Have you ever tried your radio in any other locality?

Mr. LANGLOIS: Yes, but not in Nipissing, though.

Dr. FRIGON: You have two different types of station in Montreal. You have CBF with a vertical antenna, radiator, we call it, and CKAC with a flat top aerial. CBF is a 50 kilowatt station and CKAC is a 5 kilowatt station, but on account of the aerial they use on CKAC, CKAC sends out a signal and at a certain distance, through reflected waves, you may hear CKAC at points outside of Montreal a good distance and yet it may not give a good service near Montreal because of the type of transmission coming out of the antenna. It is directed differently than CBF. At Donnacona you should get CBF.

Mr. LANGLOIS: The signal is strong but a noise comes in.

Dr. FRIGON: Then it may be that you are near a transmission line and especially if it is a high tension line you would get that.

Mr. GAUTHIER (*Portneuf*): Your inspectors have been working on that for years.

Dr. FRIGON: If it is a high tension line you can have much interference.

Mr. GAUTHIER (*Portneuf*): At home we do not get that, we have good reception inside our homes.

Mr. GAUTHIER (*Sudbury*): You had better change cars.

Mr. GAUTHIER (*Portneuf*): You have a bad radio in your car.

Mr. LANGLOIS: It might be also because that is close to the member's house.

The CHAIRMAN: It looks to me as though the Gauthiers are ganging up on you.

Mr. FLEMING: If there are no other points to be brought up in relation to these matters can we come back now to Montreal?

The CHAIRMAN: Yes, I think that would be all right.

Mr. FLEMING: May I preface some questions I have by saying that I have, thanks to Dr. Frigon, the answers to those questions before I ask them. Dr. Frigon was good enough in discussing these matters earlier when we were together in Montreal to give me all the information on this subject but these matters are so very important that I think the information in reference to this building should be on record. Dr. Frigon, would you outline, or would Mr. Dunton?

The WITNESS: No, Dr. Frigon will answer those questions.

Mr. FLEMING: Dr. Frigon, would you outline to the committee the negotiations leading up to, first, the selection of this particular building in Montreal, the negotiations leading up to the purchase and how you arrived at the amount of the purchase price.

Dr. FRIGON: Well, before you get to the actual purchase of the Ford Hotel, you have to keep in mind, and you have to remember the story or what has taken place leading up to that purchase. From the very beginning we decided that we must have in Montreal a fireproof building to house our studios and offices. In 1939 we negotiated with the city of Montreal and they actually gave us a site. We actually started plans on that but it had to be abandoned because of the war, and finally it was dropped altogether. I have spoken about this to the committees on previous occasions and I think that matter is probably closed. Then, later on, I should say, rather, about the same time, 1939-1940, we had a problem in Toronto which was similar but not as acute as in Montreal and we finally bought a site on Yonge street where we proposed to build a headquarters for Toronto. Time went on, the war was on, and finally we made a very fine purchase on Jarvis street where we are now and we moved all our offices and studios in Toronto to the Jarvis street site. But the buildings on that site are not fireproof and some day, and the sooner the better, we will have to build a fireproof building on Jarvis street. So the Toronto problem and the Montreal problem have been in parallel except that the Montreal problem was more acute and required earlier solution.

The CHAIRMAN: Stop just one moment if you will, doctor. What you have on Jarvis street is in the ownership of the corporation, is that right?

Dr. FRIGON: That is right.

The CHAIRMAN: That is different to the position you are in with regard to the Ford building?

Dr. FRIGON: That is right.

So, during the war, and especially after the war, we looked around for a site and many many sites were offered to us, and then the problem became absolutely desperate when we were thrown out of King's Hall Building because of an explosion in the boiler room. We were out of King's Hall Building for over two months. Then we started to look in earnest. We investigated a great number of possible sites and I might give you here those which offered the better possibilities. There was a site—corner Chemin Ste-Catherine and Cote des Neiges; there was one on the corner of Pine and Cedar—that is where the general hospital will be built; there was a very good location at the corner of St. Catherine and Atwater Avenue. I just read in the paper that rumour has it that it has been sold at a cost of \$1 million for the site alone. That was out of our reach completely. Then there was a good site on Cote Ste-Catherine road belonging to Brebœuf College. That was a nice property but it was far from the centre

of town and we did not like it. There were no stores and there was no place to eat but, as a site, it was beautiful. We took an option on it.

Mr. FLEMING: At what price did you have an option to purchase that?

Dr. FRIGON: I think \$65,000.

Mr. FLEMING: Was there any building?

Dr. FRIGON: No.

Mr. FLEMING: Just land?

Dr. FRIGON: Just land. That is the old Montreal hunt club.

Mr. GAUTHIER: What was the size of the land doctor, when you talk about the property alone. We have not much knowledge of the footage price in the city of Montreal but what was the size of the lot?

Dr. FRIGON: It came to something like 60 cents per square foot. That would be 100,000 square feet. It was a good sized lot.

Mr. GAUTHIER: What do you mean by a good sized lot?

Dr. FRIGON: The frontage on St. Catherines road was probably 350 feet.

Mr. GAUTHIER: Excuse me but you went on to refer to one property and you said you had an estimate of the cost of the property—from Breboeuf, of \$65,000?

The CHAIRMAN: Actually an option?

Mr. GAUTHIER: What size was that property, do you recall?

Dr. FRIGON: I would like to dig down—

Mr. GAUTHIER: Give us the approximate size?

Dr. FRIGON: I would say we dropped the project not because of the size—whether it was too big or too small—but we could not obtain permission from the city of Montreal to build there; it is a residential section.

Mr. GAUTHIER: I am not asking you the reasons for not taking the site but I would like to know just about how much property costs you in Montreal in districts of that kind? How much can you expect for \$65,000? That is what I want to get at?

Mr. LANGLOIS: He said 60 cents per square foot.

Dr. FRIGON: There was about 100,000 square feet.

The CHAIRMAN: At what?

Dr. FRIGON: 60 cents.

Mr. LANGLOIS: Use your pencil.

Mr. GAUTHIER: I can do that in figuring construction.

The CHAIRMAN: Have you the custom of speaking about frontage in relation to properties there?

Dr. FRIGON: No, it is by the square foot in Montreal.

The CHAIRMAN: You generally quote prices by the square foot.

Mr. GAUTHIER: In some localities it is frontage is it not?

Dr. FRIGON: My problem is because the shape was not regular. I cannot tell you that it was so much by so much. There was a certain frontage plus an extension at the back.

Mr. GAUTHIER: It was irregular property?

Dr. FRIGON: Irregular shaped property.

What prevented us from going through with the deal was that we did not have permission from the city of Montreal to build studios at that location—we found that out afterwards; and furthermore, from the point of view of location it was too far away from the centre. We took the option on it in desperation, not being able to find anything else.

The CHAIRMAN: How much did you pay for the option?

Dr. FRIGON: \$500 I think for four months.

Mr. FLEMING: About when was that, Dr. Frigon?

Dr. FRIGON: That was 1945 or 1946. Then we looked around and there were other proposals. One was the Castle building on the corner of St. Catherine and Stanley. It was smaller than the Ford hotel and the great difficulty was that the ceiling height from the ground floor was too low. We could not build studios in the building of any size. The real estate agent had taken an option on the building and would have transferred it to us if we wanted it but we could not do that.

Mr. FLEMING: I think your reference to the height of the ceilings from the ground floor should be explained by you.

Dr. FRIGON: That will come in a minute.

Mr. FLEMING: Some place you ought to mention it.

Dr. FRIGON: After looking into 15 or 20 sites we came to the conclusion that the best site we could get was the Keefer building on the corner of St. Catherine and MacKay. That had a drawback because it would have required us to buy a block of houses on MacKay street to build a new building for studios.

While we were dealing with that we heard through an agent who came to see us, that the Ford Hotel might be for sale. We started to talk about that and we found out that the agent had no authority to sell the Ford Hotel and I immediately went to the owners. I asked them if it was for sale and they said maybe. They said they would like to sell us the Ford hotels in both Toronto and Montreal for \$5 million. I said that we did not need the Toronto hotel so they asked what about \$2½ million for the Montreal hotel. We discussed it for weeks and months.

Mr. FLEMING: You say "we"?

Dr. FRIGON: The representative of the Ford hotel, Mr. Udd, and myself. I was negotiating at the request of the C.B.C. and also at the request of the government. So from one thing to another we agreed that a price of \$2 million for the hotel itself would be a fair price compared to other properties, other sales, and other transactions which took place about the same time. There was a small annex which was worth \$50,000, which made a price of \$2,050,000 for the site and the buildings on the site.

When we agreed on the price—and it was kept secret right along—then we sat down in the building with Mr. Gordon Olive, the chief architect, and the specialist in installations, and inspected the building thoroughly. The report came back that it would be quite all right.

The CHAIRMAN: Your agreement on price was just an agreement as to what you would pay if you bought?

Dr. FRIGON: That is right. Before we went into any obligation we inspected the building to find what we would have.

Mr. LANGLOIS: You had no option?

Dr. FRIGON: No option. The property seemed to be all right and our engineer and specialists reported the building had certain characteristics which were really most interesting. First of all the ground floor had the ceiling height which permitted the construction of studios.

As I told you in Montreal the other day above the studio ceiling you have about 5 feet of ventilating ducts and all sorts of electrical and service ducts so, once you have taken that space for ventilation there remains whatever the maximum height you can have in the studios proper. So the height was all right. The column spacing was all right. It is all right to have proper ceiling height but if the columns are too close together you cannot build studios. Studios

have to be built to certain proportions of length and height to give the maximum technical results. We checked over carefully and we found that the ground floor of the Ford Hotel was indeed very well designed for transformation into studios. There was then on the ground floor Murray's Sandwich shop, which was the restaurant of the hotel; there was a Liggett's drug store; a barber shop; a jeweller, and a news counter. And at the back there was a tavern. That tavern also offered great opportunities because of its height.

Mr. FLEMING: Yes, its height and depth.

Dr. FRIGON: Its height and depth, and it was good for a large studio. So we knew then that we could build good sized studios on the ground floor.

The CHAIRMAN: Would you pause there, Dr. Frigon. You looked over various other places. Some of them were only sites. Were there any others where you had both a site as well as a building which you might perhaps have used?

Dr. FRIGON: Yes; but all the other buildings which were offered to us or which we thought about had the bad point of not having enough height on the ground floor to build studios.

The CHAIRMAN: So this was the first building which you saw?

Dr. FRIGON: Yes, the first building which we saw which would permit construction of good sized studios on the ground floor. Even with the Keefer Building which I mentioned before, we would have had to buy property on Mackay Street and connect it to the main building in order to have studios.

The CHAIRMAN: Would you add this information: If you had bought any other building which you were examining, would you have had to do something? In other words, perhaps even cutting out a floor in order to get height?

Dr. FRIGON: In order to get height, decidedly. An office building has a certain frame work and a certain floor depth which may be all right for an office building, but which may not be all right for studios and for other uses.

The CHAIRMAN: That 5 feet above the ceiling or below the floor, whichever way you look at it, is an absolute necessity in regard to this particular function that we are dealing with?

Dr. FRIGON: Decidedly so.

Mr. FLEMING: For studios.

Mr. LANGLOIS: What is the average height of your studios?

Dr. FRIGON: There are different heights according to size. The maximum heights of the studios on the ground floor of the main building would be in the order of 12, 13, to 14 feet.

Mr. GAUTHIER (*Sudbury*): Does that include the duct space?

Dr. FRIGON: No, below. Besides the possibility of building studios on the ground floor, there was another asset. There was a site behind the building which was not occupied where we could build any extension we wished to build later on. In fact, we are using that site right now to build our television studios. Such other places as the Castle Building and the Keefer Building did not have any spare space around the building for extension. But the Ford building did have it, which was a great asset.

After we had looked into the possibilities of the building and after our engineers had made a sketch, we got outside engineers to check on the structure. We have a report in writing that the structure was all right and that it would carry certain weights.

Mr. FLEMING: I take it that the consulting engineer was from outside your organization?

Dr. FRIGON: Yes. It was Mr. Fortin. Then we had the inspector of the city of Montreal come along and he said that the floors could be used for offices. That closed that part of the investigation. It could contain studios. It could be used for offices. The location was on a street which in a few years would be the main thoroughfare east and west in Montreal. It had proximity to the theatres on St. Catherine Street. We could hardly have found anything better than that. And another point was that the building was already up, while at that time you could not get steel to start a new building.

Mr. GAUTHIER (*Sudbury*): That was true. That was a major factor in 1946.

The CHAIRMAN: You made a remark which Mr. Gauthier filled in. I do not think you said yourself when these negotiations were carried on.

Dr. FRIGON: In 1948.

The CHAIRMAN: About when in 1948?

Dr. FRIGON: They started early in the year and we took decision on the 15th of September 1948.

Mr. GAUTHIER (*Sudbury*): It was still bad then. You could not buy cement for love or money.

Dr. FRIGON: We could not get material and if we had had to build a new building, it would have taken us many more years. We had had a very bad experience in King's Hall and we could not stay there much longer.

So we went on preparing estimates. And after they were completed, we found we could transform the Ford Hotel into offices at a cost which was cheaper than to build a new building. The price of \$2 million might seem high. But it is the same order as any other real estate transaction taking place in Montreal even at the present time. The price you have to pay has no direct relationship to the cost of a building which was constructed 15 to 20 years before.

The CHAIRMAN: Your price was \$2,200,000?

Dr. FRIGON: The price was \$2,050,000 with the building next door. But we had to get rid of tenants on the ground floor. Those tenants had leases. One had a lease for nine years. Another had a lease for six years. Murray's Sandwich Shop had spent \$60,000 a few years before to revamp their restaurant. So, instead of trying to deal with them and to pay compensation to them to break their leases, the Ford Hotel Company agreed to take care of it if we would pay them a lump sum of \$150,000. I jumped at the chance because I knew we could never do it at that price. You cannot dislocate a restaurant such as Murray's Sandwich Shop for anything like that amount. I know, as a matter of fact, that the Ford Hotel had to pay more than that to the tenants, more than the \$150,000 which we gave them.

The CHAIRMAN: If we try to demonstrate that the price paid is a fair price, would you be able to say something about similar sales in the neighbourhood, or in a comparable neighbourhood? Have you any knowledge of that? Have you any knowledge of any other sales which have taken place?

Dr. FRIGON: For instance, the option that was held on the Castle Building was for a price of \$1,250,000.

The CHAIRMAN: But that was a deal with you yourself. That was your own deal?

Dr. FRIGON: No. That was a deal with a real estate man who did take the option and who came to us and offered to sell to us. But the building was not approved and we could not use it because it was too small.

The CHAIRMAN: That only means that these people were willing to sell something for a certain price. Have you any knowledge of contracts which have been closed?

Dr. FRIGON: Yes.

The CHAIRMAN: That was what I thought would be good to have for comparison.

Dr. FRIGON: We negotiated for the Keefer Building for two or three years. We offered them at times \$500,000 but they said: "No. We cannot sell it at that price."

Finally we carried on for a number of months and we raised our offer to \$600,000. But they said: "No." Finally one day they came to us and said: "If you want it for \$650,000 you can have it; but we must have an answer within three days." We cannot act that quickly, so I said: "I am sorry. It cannot be done." So they sold the building for \$650,000.

The CHAIRMAN: Can you give us a comparison of the two buildings?

Dr. FRIGON: The man who paid \$650,000 for the building still owns it. We closed for the Ford. There was property and building on Mackay Street which we would have to add to compare our cost to the Ford. The owner of the Keefer property said that he did not want \$1 million. He did not want any price. He said: "I have a good investment. I do not want to sell at any price." When we could not buy the Keefer Building at \$1 million, and we knew we had to buy buildings on Mackay Street in addition, but we found that the tenants could not be moved out, our figures indicated that the Ford proposal was better. So we bought that. Throughout these conversations we of course inquired from other people, big companies and so on—I have some notes on it, and the information obtained indicated to me that the price of \$2 million was about right for that property, so that is why we bought the Ford building.

Mr. FLEMING: Were all your negotiations directly with the Ford Hotel Company?

Dr. FRIGON: Yes.

Mr. FLEMING: You didn't have an agent?

Dr. FRIGON: No. The first thing I did was to talk to the manager of the company. I know he had to pay something to the brokers who came to see us, how much it was I do not know.

Mr. FLEMING: Do you know who the brokers were?

Dr. FRIGON: A chap by the name of Beaupre is the one who came to my office first.

Mr. FLEMING: In the brief you referred to the use of the building, you didn't get any furnishings or furniture in the price that you paid for the building, did you?

Dr. FRIGON: We got the venetian blinds, and there was a water cooling system which was left there.

The CHAIRMAN: The water cooling system is definitely an irremovable fixture.

Dr. FRIGON: It was with the building.

Mr. FLEMING: There were no chattels such as furniture or furnishings that went with the building at that price?

Dr. FRIGON: No.

Mr. FLEMING: You indicated a moment ago that you had, I think you said, some notes from some people which indicated to you that you were paying a fair price for the building. Did I understand you correctly?

Dr. FRIGON: Yes.

Mr. FLEMING: What sort of people were they? Would you care to enlarge on that? Did you get any advice or any reports from any qualified appraisers on a property of that kind? Did anyone advise you as to whether the price was reasonable?

Dr. FRIGON: No, we thought we had on our own staff people quite capable of doing all that was necessary without paying fees to outside individuals to give us that information.

Mr. LANGLOIS: You stated that you had conversations with different brokers.

Dr. FRIGON: You know how it is when you are handling a deal of this kind, you have to post yourself on what is going on. I did not think we should need a report from any real estate broker or real estate man because from the discussions which I had with people I knew that we were being offered a fair market price at that time.

Mr. LANGLOIS: Dr. Frigon referred to the cost of a new building, that they had given consideration to a new building; I wonder if he could enlarge on that.

Dr. FRIGON: It is impossible in a job of this kind to give you the cost of a building until you have the plans and the specifications and you ask for tenders. It is no use trying to guess on anything on the cubic content of the building. Anything new that we might build anywhere in the district, let us say within a half a mile, would cost us at least a million or two million dollars more, and maybe more than that.

The CHAIRMAN: Look here, you often hear people speaking about a building as costing so much per cubic foot. That is a very common way of describing cost.

Mr. MURRAY: In construction, yes.

The CHAIRMAN: Yes. You often hear, for example, people speaking about a building that has been constructed costing so much per cubic foot. I don't know what building costs are on that basis. Could you give us the cubic foot cost of that Ford Hotel building at the price you paid for it?

Dr. FRIGON: Yes. The price we paid for the Ford Hotel came out to 99 cents per cubic foot, including the land. Now, there is a site a little further up, the Y.W.C.A., and that is just above us there. I am told they paid \$450,000 for the land alone.

The CHAIRMAN: By the way, where is that Y.W.C.A. in relation to the Ford Hotel building?

Dr. FRIGON: It is one block east of where we are.

The CHAIRMAN: And that land cost \$450,000?

Dr. FRIGON: Yes, for a smaller site.

The CHAIRMAN: Do you know the ratio of one to the other in size?

Dr. FRIGON: Yes, I have it here.

Mr. KNIGHT: Do you mean the area of the land or the cubic feet of the building?

Mr. FLEMING: The area of the land.

The CHAIRMAN: Yes.

Dr. FRIGON: The lot would be 120 feet by 180 feet.

The CHAIRMAN: To which one are you referring?

Dr. FRIGON: That is the Y.W.C.A.

Mr. GAUTHIER (*Sudbury*): What is the size of the lot?

Dr. FRIGON: 21,500 square feet.

Mr. FLEMING: And the other one is 31,600 feet; about two-thirds of the size of your building.

Dr. FRIGON: No, that is the land.

Mr. FLEMING: That is what I mean, the land.

Dr. FRIGON: Yes, 600 square feet more; I mean the Y.W.C.A. is 31,000 square feet and the Ford Hotel is 31,600 square feet.

The CHAIRMAN: I wish you would give that figure again for the Y.W.C.A.

Dr. FRIGON: The Y.W.C.A. is at the corner of Dorchester and Crescent. The size of the lot there is 21,600 square feet.

The CHAIRMAN: 31,000 square feet?

Mr. GAUTHIER (*Sudbury*): 120 by 180 would be 21,600 square feet.

Dr. FRIGON: Let me repeat that. The Y.W.C.A. site at the corner of Dorchester and Crescent has an area of 21,600 square feet and it was bought at the price of \$450,000.

Mr. FLEMING: When?

Dr. FRIGON: Last year.

Mr. FLEMING: 1949?

Dr. FRIGON: Early in 1949, or about the same time. There was a church on that site which burned down. I do not know when they closed the deal, but the church burned down before we purchased the Ford. I do not know when the deal went through.

Mr. LANGLOIS: That was a few months after you closed your purchase?

Dr. FRIGON: I do not know. All I know is that the church burned down before we completed the deal with the Ford Hotel people. Whether it was bought then or after, I do not know, but whenever they bought it they paid \$450,000 for it. In our case, we had a 31,000-square foot site, which means that for the site alone it would be worth probably \$600,000 to \$750,000—the site alone.

The CHAIRMAN: Yes, you have got a ratio of 18 to 31, and a ratio of 450 to something.

Dr. FRIGON: Yes.

The CHAIRMAN: And that something is probably in the neighbourhood of \$700,000 to \$750,000?

Mr. KNIGHT: Mr. Chairman, just to get this thing straight, the figures that are given as 120 by 180 must be wrong; 120 by 180 will give you 21,000—not 31,000.

The CHAIRMAN: Dr. Frigon began by talking about 21,000, and I think he got that figure by the multiplication of the earlier figures given, but more recently he corrected former statements and read from statements which stated that the one was 18,350.

Mr. GAUTHIER (*Sudbury*): Maybe the lot where the building is is 120 by 180, but there is the property that goes along with it.

Dr. FRIGON: I am sorry—140 by 180 is 21,600.

Mr. KNIGHT: No, that is not right; it is 120 by 180.

Mr. FLEMING: You said 120 by 180 last time.

Dr. FRIGON: I am sorry.

The CHAIRMAN: It is now agreed that the committee will sit tomorrow from 10 o'clock to 1 o'clock and from 3 o'clock until 6 o'clock, but we will not call any other witnesses than C.B.C., so that if we finish C.B.C. we will rise until the following week.

Mr. KNIGHT: I do not like the sound of that 3 to 6, Mr. Chairman.

The CHAIRMAN: The other way the lawyers would put it, I think, is to sit all the time or until we finish the C.B.C., whichever comes first. There are other legal ways of drafting this.

Mr. LANGLOIS: More expensive ones?

The CHAIRMAN: Yes.

Mr. STEWART: Could we get back to square feet now?

The CHAIRMAN: Now, let us get back to area. Have you arithmeticians resolved your differences?

Dr. FRIGON: Two statisticians and several chartered accountants now find it is \$646,000. On the same basis as the Y.W.C.A. site, the Ford Hotel land would be \$646,000.

The CHAIRMAN: Then, it is your \$2,100,000, because that is really the price you paid. We might say that \$646,000 may be said to be land?

Dr. FRIGON: Yes.

Mr. FLEMING: It is either \$2,050,000 or—

The CHAIRMAN: I have regularly thought of it as \$2,200,000 because it seems to me that the \$150,000, which you had to pay for vacant possession, is really part of the price.

Dr. FRIGON: Yes, of course it is, but if we had bought the property without the Ford people undertaking to clear the leases, we would have paid so much for the leases.

The CHAIRMAN: You would still have to account for the \$150,000 some place, and it is just my taste to speak of it as purchase price. If not, you would have to put it into your transformation price.

Mr. LANGLOIS: Dr. Frigon, a while ago you made some comparisons between the Ford Hotel site and some other site, for example, the Keefer Building, and in the price of the Ford Hotel you have a sum of \$150,000 there to cover the cost of getting rid of leases. Did you have leases in the other cases that you had to get rid of?

Dr. FRIGON: Yes, we would have lost in the case of the Keefer Building except that most of the building was rented on short terms. There would have been some stores on the ground floor which we could not use but that space would have been left as stores, so whatever tenants were there on a long-term lease we would have kept as tenants, most probably. The problem there was to purchase houses on Mackay street and evict the tenants which was not possible at that time. How long it would have taken to get possession and start tearing down the houses on Mackay street, I do not know.

Mr. LANGLOIS: That is the building annexed to the studios?

Dr. FRIGON: Yes.

The CHAIRMAN: And the cost of the Ford Hotel taking \$2,200,000 as the purchase price was about 99 cents a cubic foot did you say? You said 99 cents?

Mr. FLEMING: 99 cents per cubic foot.

The CHAIRMAN: But I did not know the price from which you started, whether it was \$2,150,000 or \$2,200,000.

Dr. FRIGON: When I gave you that price of 99 cents it was all included. I did not segregate the land from the building.

The CHAIRMAN: I did not mean you to segregate the land from the building because it seems to me the cost of the building is the cost of the land and the bricks and mortar put on it.

Dr. FRIGON: But when you talk of unit prices you talk of construction only.

The CHAIRMAN: Yes, if you have it understood that way.

Dr. FRIGON: If you think you can build a house at a dollar per cubic foot, that is the price of the construction, not including the land.

The CHAIRMAN: That is all right, as long as we understand it that way. You were talking about bricks and mortar but I was thinking of adding in the land cost as well. So it is more than 99 cents if we take the whole price of \$2,200,000?

Dr. FRIGON: Yes: if you take out from the total purchase price the valuation of the land that brings you to a price of something like 80 cents per cubic foot for the construction.

Mr. GAUTHIER (*Sudbury*): So in the 99 cent price the price of the land was included.

Mr. LANGLOIS: What was the price per cubic foot for a similar building in Montreal?

Dr. FRIGON: As I said before it is next to impossible to evaluate it on a unit cost basis.

Mr. LANGLOIS: You are comparing that to the shell of the Ford Hotel when you bought it, but what would be the unit cost of some other building similar to the Ford Hotel when you bought it? There was no other construction in the Ford Hotel when you bought it.

Dr. FRIGON: No, I know what you mean.

The CHAIRMAN: You did not, of course, go into the question of how much it would cost to build a building but you just made a rough estimate which is sometimes called an educated guess.

Dr. FRIGON: As I said before the computation is difficult because if we were to build an individual building the design would be different, we would probably have more space for audio studios.

Mr. LANGLOIS: You said that the Ford Hotel cost you so much per cubic foot. What would it have been for a similar building of the same size as the Ford Hotel, per cubic foot?

Dr. FRIGON: I would hesitate to give a price on that, but if you just want a figure: as I remember it when we studied that in detail, the equivalent building would have cost in the neighbourhood of \$1.20 to \$1.25 per cubic foot.

Mr. STEWART: Mr. Chairman, you have given certain figures now; the cost of the building, \$2,200,000; the land \$646,000. That means the net cost of the structure stripped, was \$1,554,000. What was the cost of the structural alterations which were made to provide you with the studios which you want quite apart from equipment or anything else.

Dr. FRIGON: The architectural transformation including the studios but not any equipment, \$1,300,000.

Mr. STEWART: So you have that whole setup for \$2,854,000?

Dr. FRIGON: Roughly, plus the equipment which cost us about \$800,000.

The CHAIRMAN: I see. That is how the figure harmonizes.

Mr. LANGLOIS: It is in your report.

The CHAIRMAN: Yes, the figure in the report is \$2,100,000 and the difference between that and what you have just stated to Mr. Stewart is the price of the equipment.

Mr. KNIGHT: What proportion of that building is being used for C.B.C. purposes at the moment?

Dr. FRIGON: As I explained to the members on Monday, when we started the project in the fall of 1948 our plan was then to have at the end, at this time, between three and four floors unoccupied. Since that time we have increased the service, the international service; we have moved from Ottawa to Montreal the headquarters of our personnel and administration division and certain other

departments, and we have taken in television. When we are all in next fall, say in October, we will have about the equivalent of one floor in scattered offices not already assigned to any distinct purpose.

Mr. KNIGHT: What is the revenue at the moment from other people using the building?

Dr. FRIGON: We have no tenants at all.

The CHAIRMAN: I think Mr. Stewart's point was how much is C.B.C. and how much is government? Was that not what you were getting at, Mr. Stewart?

Mr. STEWART: The only point I was trying to get at was, what was the cost of the structure?

Mr. KNIGHT: It was my question.

Dr. FRIGON: For the architectural changes and equipment I have given you the breakdown. The space, when we are there next fall, as I said, the space occupied per individual, will be about normal. There are standards for that, and the space occupied per individual will be about normal. We have over and above that, the equivalent of one floor in scattered offices which will not be occupied. These will be for future expansion and some of them will be used at the beginning for television, probably a storage room to start with. I am absolutely certain that within a very short time all the space will be occupied and from there on we will have to start to squeeze, we will have three persons in an office where we now have two.

Mr. GAUTHIER (*Sudbury*): What year was this Ford Hotel built?

Dr. FRIGON: 1930.

(Mr. Langlois assumed the chair).

Mr. GAUTHIER (*Sudbury*): It was solid brick construction all the way through?

Dr. FRIGON: Oh, yes, from the structural point of view there was nothing wrong, it was in good order and we had to do nothing in respect to the original structural design in any part.

Mr. GAUTHIER (*Sudbury*): Do you happen to know how many rooms there were in the hotel?

Dr. FRIGON: About 700 or 750.

Mr. GAUTHIER: How many floors?

Dr. FRIGON: Twelve floors and a basement—thirteen floors altogether; plus a small building next to it.

Mr. GAUTHIER: Can we get the actual size of the building?

Dr. FRIGON: In cubic feet?

Mr. GAUTHIER: Yes.

Dr. FRIGON: Two million cubic feet.

Mr. FLEMING: What is the floor space?

Dr. FRIGON: 173,000 square feet.

Mr. FLEMING: The total floor space is 173,000 square feet—which does not include the area at the rear on which you are going to proceed to erect a television building. What is the ground area of that space?

Dr. FRIGON: Sixty by ninety; five stories high.

Mr. FLEMING: 5,400 feet of ground space?

Dr. FRIGON: That is right.

Mr. FLEMING: For what it is worth, will you give us the assessment figures on the land and buildings as of the date of purchase?

Dr. FRIGON: The assessment for the land was \$92,000; for the building \$613,000.

Mr. FLEMING: Doctor Frigon you were negotiating really on behalf of the government with the approval of the Board of Governors of the C.B.C.?

Dr. FRIGON: Well the set-up was that the government decided to purchase the building for the international service. The government had asked the corporation to carry on and deal on the whole project of transforming and equipping the building. The Corporation accepted that and assigned to me the duty of doing the job. So, I was working and I am still working for the board of governors on that deal, but on behalf of the government.

Mr. FLEMING: You have indicated what was done within the C.B.C. organization in the way of checking the price, as to whether it was reasonable, but did the government conduct any check on the price? Did they send anybody in?

Dr. FRIGON: As they were paying for it I kept them informed as to how things were going along, and what the price was; because after all they had to pass an order in council to have money voted for the deal. They were constantly kept informed as to what was going on.

Mr. FLEMING: I understand that but did they have any check made on the price. Did they send in any of their own officials—public works experts to check on the price?

Dr. FRIGON: Not to my knowledge; but I believe public works were consulted. I do not know whether they were consulted in the form of being asked for a formal report but I think I remember that I was told they had checked with public works. I am just speaking now from memory; I do not know of any document along the line you have indicated.

Mr. FLEMING: As far as you know there were no experts sent in by the government to appraise the property?

Dr. FRIGON: Not that I know of.

Mr. FLEMING: The title has been taken in the name of His Majesty the King?

Dr. FRIGON: Yes.

Mr. FLEMING: Has the C.B.C. entered into formal lease with the government?

Dr. FRIGON: No.

Mr. FLEMING: What is the basis of occupancy?

Dr. FRIGON: At present there is no charge for rental to anybody and that would be settled when the project is completed and we move in.

Mr. FLEMING: What use you are making of the property now represents enjoyment of space rent free by the C.B.C., does it?

Dr. FRIGON: Yes, in a sense, but here is the way it happened. When we took over we decided that it would be a good thing if our architectural department would move to the site for the purpose of being near the job and being able to check on it. Then, a little while later—six months later—we decided that it would be a good thing if we would move our engineering division there, including myself. It would allow us to keep very constant check on the construction and to deal with the construction architects; and Mr. Gordon Olive, our chief engineer, and myself moved to the new premises. Now I am positive that the fact we were there made an economy in the construction. That is why the government agreed that while construction was going on and while consultation was required between the Architectural Department and the Management, we would be there to do the job. And after that we moved out of Bishop Street where we had part of the international service. I may say that some time ago we were notified that we had to move out of the premises on

Crescent Street. So all the international service is now on the premises which belong to it. They do not have to pay a rental and the national service occupies about $2\frac{1}{2}$ floors.

Mr. FLEMING: Do I understand that the whole agreement between the C.B.C. and the government as to the terms under which the C.B.C. and the international services are to occupy the building in the future still remains to be negotiated?

Dr. FRIGON: That is right.

Mr. FLEMING: And in the meantime as long as you are giving supervision to the work that is being carried on, the government is giving you such space as you are now occupying rent free?

Dr. FRIGON: That is right.

Mr. FLEMING: And it is understood they won't come back and ask you to pay any rent for anything that happens up to the time you take over the full occupancy. Is that right?

Dr. FRIGON: That is right.

Mr. FLEMING: With respect to the improvements, by which I mean those for which \$1,300,000 were paid for architectural changes, as well as the \$800,000 for new equipment, are they all being made at the expense of the government?

Dr. FRIGON: That is right.

Mr. FLEMING: That includes this equipment?

Dr. FRIGON: That is right.

Mr. FLEMING: Whether it is provided for the international service or for the C.B.C.?

Dr. FRIGON: There is no equipment exclusively for the international service. The same equipment would be used for both services. We have to determine the proportion to be charged in rental form to one or the other of the services.

Mr. FLEMING: You are expecting that when this work is completed and you take over the full occupancy that you will simply be renting the equipment as well as the building from the government?

Dr. FRIGON: We shall go into the building with our own equipment that we are already using at King's Hall. That will be thrown in with the rest of the equipment. Then we shall have to decide, or rather we shall have to add those capital assets to the ones bought by the government for the international service, and decide who is going to pay for what.

Mr. FLEMING: Is this thing completely in the air at the moment as to how you are going to work out either the purchase or the rental of the use of the equipment?

Dr. FRIGON: There has been a tentative offer which has not been closed yet that we would pay a certain rental at \$1.50 per square foot for all of the space we alone occupy apart from the international service, and that we would pay one-half of that rate for space which we share with the international service, and that the understanding would last from year to year until we can determine the exact proportion of use and arrive at another decision on cost.

Mr. FLEMING: That basis makes no provision for purchase of new equipment which cost \$800,000 which has gone into the building?

Dr. FRIGON: No.

Mr. FLEMING: The C.B.C. expects that the government will retain the ownership of that equipment along with the ownership of the improved building and will rent them to the C.B.C.?

Dr. FRIGON: Yes. As a matter of fact, every piece of equipment we have moved from Crescent Street has been marked as the property of the international service. For example, the microphones have been stamped as the property of the international service. Up to now the international service has frequently used the equipment and facilities of the national service for their own work. For instance, if they had a show which required a studio larger than the one which they had at Bishop Street or at Crescent Street, they would come over to King's Hall and produce their show there and we never charged anything for it.

Mr. FLEMING: The whole subject is under what they call in the House, I think, "active negotiation"?

Dr. FRIGON: It is under active negotiation. There have been some approaches and some views expressed. There have been letters sent by me indicating what we thought might be done when we are on the premises. And it has been left that way. The matter will have to be reviewed as soon as possible to determine the proportion of responsibilities.

By Mr. Fleming:

Q. Do the Board of Governors feel any urgency on their part in trying to work out an agreement, or is their feeling this we want to leave those negotiations until the building is completed and the C.B.C. takes over full occupancy?—A. At the moment some of our officials are in there and are not paying rent and we are not trying to rush matters.

Q. You are not pressing?—A. No. As the General Manager says it will have to be determined fairly soon, and will probably be worked out better after the thing is operating.

Q. You have figures of the total of equipment going into the building?

Dr. FRIGON: We have no basis of the fair distribution of cost until we have used the premises for a certain time and have been able to establish a basis.

Mr. FLEMING: You must take into account the international service in relation to the figures you work out?

Dr. FRIGON: Until that can be established on experience and on fact as recorded, we are willing to pay \$1.50 per square foot of space that we alone occupy, and one-half of that amount for space which we occupy along with the international service. That letter is there. It is some sort of basic suggestion which will have to be taken up again next fall when we are already in the building.

Mr. FLEMING: Did you say when you made that offer to the government by letter?

Dr. FRIGON: That was done some time during the summer of 1949.

The VICE-CHAIRMAN: How does that rent compare with the normal rental of office space in Montreal?

Dr. FRIGON: At the time \$1.50 was about the price we paid at the Keefer Building, and at King's Hall; and we said we would pay that as a basis until facts were accumulated to determine an exact solution.

Mr. FLEMING: Having regard to the quality of the building you are occupying, you were not giving anything away, were you?

Dr. FRIGON: No. It is not our practice to give anything away.

Mr. FLEMING: About the work of improvements on the building amounting to \$1,300,000, is that a contract price?

Dr. FRIGON: No.

Mr. FLEMING: How did you handle those improvements as to contracts and price?

Dr. FRIGON: Many of our projects in the past have been done by us acting as general contractors to ourselves. Sub-contracts have been allocated and tenders received from contractors. In this case we started with the idea that we would be our own contractors. Then we thought that the magnitude of the job was such that we could not do it. So we decided that as we had no plans we could not offer tenders. We would have to have a contractor who would do the job according to our instructions. We showed our project, sketches, and our valuation of the job to a contractor. He said that he would charge 8 per cent to do a job of this sort. When he saw our sketches and our estimates, he said "All right. I agree to those estimates, and I shall charge you 8 per cent on them."

Mr. FLEMING: It was a cost plus 8 per cent contract. Is that right?

Dr. FRIGON: No. It was a cost plus a fixed fee—plus 8 per cent. Once he figured out what he would receive, it became a fixed thing, no matter what the cost would be.

Mr. FLEMING: Apart from that, if it was a cost plus contract, did you call for tenders?

Dr. FRIGON: We did not.

Mr. FLEMING: Why did you not call for tenders?

Dr. FRIGON: Because the 8 per cent fee that he agreed to accept was a good bit below what any tender would be.

The VICE-CHAIRMAN: Was it possible to call for tenders?

Dr. FRIGON: Not for the building itself because we had no plans, no details and could not call for tenders within five or six months.

Mr. STEWART: Did I understand you right that on this fixed fee as I understand it, you estimated the cost of a certain part would be \$100,000, let us say, and the fee on that basis would be \$8,000?

Dr. FRIGON: Yes.

Mr. FLEMING: What was there to prevent you from calling for tenders on what you were prepared to do?

Dr. FRIGON: There was nothing to prevent us except that we could not find anybody with as good a reputation whom we knew could do a good job. So far as we in the C.B.C. were concerned we were quite satisfied that we could not get anybody responsible at that rate.

Mr. FLEMING: That is Mr. Deschamps?

Dr. FRIGON: Yes.

Mr. FLEMING: Granted he is a very reputable contractor, and I am not saying this by way of comment, I fail to see when you had a contract of this size, \$1,300,000, why you did not consult anybody else. You said that you did not consider it practical to invite tenders. You had your own staff prepare certain estimates and plans and specifications. Then you simply went to one contractor who says: all right I am satisfied with your estimates and I will take this on a cost plus 8 per cent fixed fee basis. I don't understand why you did not consult others.

Dr. FRIGON: Well, as I said, because the normal fee for this kind of work and for this contractor is 10 per cent; and there is also the fact that the job requires some heavy equipment, and when he used that the cost would be 10 per cent; and when he agreed to the 8 per cent fee we were quite pleased. I wouldn't ever have recommended that we give it out to any other contractor at less than 8 per cent because the usual minimum fee is 10 per cent.

The VICE-CHAIRMAN: Did he supply all the machinery?

Dr. FRIGON: He supplied all the tools and all the machinery required and he calls for tenders at our request and he finances the whole thing on a month to month basis and supplies all his own staff, accountants and so on.

Mr. GAUTHIER (*Portneuf*): A very good deal, I think.

Dr. FRIGON: I have a list of subcontracts here. He called for tenders on all the subcontracts for doing particular work such as plastering and so on; and in each case he sends in a list of forms when he calls for tenders, and then when he calls for tenders those tenders all come into our office with the prices tendered and so on, and in every case the lowest tenderer gets the contract. Now, here is a list of the subcontracts which were called for on the project for doing all kinds of work.

(Mr. Maybank resumed the chair)

Mr. FLEMING: How many contracts would there be altogether?

Dr. FRIGON: I would say between twenty-four and twenty-five subcontracts.

Mr. FLEMING: Those contracts are let by Mr. Deschamps in consultation with the C.B.C.?

Dr. FRIGON: That is right, he is responsible for giving the contracts to the subcontractors but in doing so he has to get our approval. He also has to deal with the bank to get the money he requires from time to time to pay all these subcontracts.

Mr. LANGLOIS: Are the expenses incurred on this operation higher or lower than you anticipated?

Dr. FRIGON: They are a bit higher. First of all we added to the original project; second, prices have gone up; and, third, a couple of items estimated by our people were too low. One particular item on which our estimate was low was the master control which is an intricate piece of equipment. Our men made an estimate of a certain amount of money. We called for tenders from three principal firms—the R.C.A., the Northern Electric and the General Electric—and they required three months to figure their costs, and when they put their costs in they ranged all the way from \$170,000 to \$314,000. I mention that just to show you how difficult it is to estimate a thing of that kind. The contract was awarded to the Northern Electric which is used to telephone work, and a master control after all is only an intricate telephone job.

Mr. LANGLOIS: And when you came to the actual installation and construction work did you find that you were faced with higher costs in connection with material and equipment.

Dr. FRIGON: That played a part in it. It was due to two things, higher cost of labour and materials and some underestimating of the job. As a matter of fact, we still have a couple of things to figure out, but as we stand now we have underestimated the original plan by less than 12 per cent which in these days is a very good figure.

Mr. LANGLOIS: I am going back a little bit now because I did not want to interrupt you when Mr. Fleming was questioning. I hope you will correct me if I am not right, but as far as I can recollect you said that to your knowledge Public Works here did inspect that building before you bought it?

Dr. FRIGON: Did not.

Mr. LANGLOIS: Did not?

Dr. FRIGON: No.

Mr. LANGLOIS: But you did have a report from your own engineers; you did not know whether the Department of Public Works took advantage of the opportunity to examine that report?

Dr. FRIGON: I do not think they saw the report. What we did though was to check with the city on it and make sure that the city would approve of its use for our purposes and we got those things cleared properly. There is no question on the matter of the market value of the property at that time being more than what we paid for it. We were quite satisfied that the amount we paid was well within the market value at that time, and still is.

Mr. LANGLOIS: But you had a report of the board experts?

Dr. FRIGON: Yes.

Mr. LANGLOIS: And that report was available and had Public Works wanted to do so they could have seen it?

Dr. FRIGON: Decidedly, yes.

The CHAIRMAN: I would like to ask something with reference to these contracts, Dr. Frigon, the one we have been discussing here of \$1,300,000, is that the amount?

Dr. FRIGON: That is right.

The CHAIRMAN: And the general contractor is Deschamps?

Dr. FRIGON: Yes.

The CHAIRMAN: And he was going to get a management fee of 8 per cent on all the money spent, that is so?

Mr. LANGLOIS: On the basis of the estimate.

Dr. FRIGON: Of the estimate.

The CHAIRMAN: Yes.

Dr. FRIGON: The original estimate.

The CHAIRMAN: In other words, you fixed it with him that he would get 8 per cent of a certain amount of money. You had a formal arrangement with him that he could not get any more no matter what he does?

Dr. FRIGON: Well, for the work we started to do. If we added some more floor space to be divided, of course, his 8 per cent was only in architectural—not in equipment.

The CHAIRMAN: And the 8 per cent is only really fixing what we might call a unit price for management. It might be termed that. He gets a certain definite amount of money because that is 8 per cent of what you have estimated?

Dr. FRIGON: That is right.

The CHAIRMAN: And if you throw in some extras afterward he will get 8 per cent of that. That is the way the deal is made.

Dr. FRIGON: If we move the administration division to Montreal and that requires several thousand dollars more he would get his 8 per cent on that, but for the original project the amount is fixed.

The CHAIRMAN: All right. The 8 per cent originally agreed upon amounted to how much?

Dr. FRIGON: On a \$1 million estimate at the beginning.

The CHAIRMAN: How much?

Dr. FRIGON: \$80,000, for that part of the project as it stood; no matter how much it costs, he will get \$80,000.

The CHAIRMAN: He started the work for a \$80,000 fee. Now, there is no advantage to him—as there very often is in percentage arrangements—there is no advantage to him in seeing that more labour is used than might be expected or higher prices are paid for material?

Dr. FRIGON: No.

The CHAIRMAN: Very often in what we call a "cost plus scheme" it is to the advantage of the contractor to pay as much as possible for his materials and labour. You are not into a cost plus scheme?

Dr. FRIGON: No.

The CHAIRMAN: If the material costs a very great deal more than you and he were estimating in the beginning, he still does not get any more money?

Dr. FRIGON: No, he gets the same amount of money.

The CHAIRMAN: Then, in addition to that, there was a good deal of this money spent—not by him directly but by subcontractors.

Mr. LANGLOIS: He finances the whole thing?

The CHAIRMAN: Yes, but these subcontractors did the work.

Dr. FRIGON: Yes, but he gets the—

The CHAIRMAN: I am away from that now. We have finished with that. He does not himself do some of the work; he lets it out to somebody else?

Dr. FRIGON: He does some of the work—common labouring and brick-work and whatever the general contractor does on a job.

The CHAIRMAN: Now, what I want to get at is what proportion is done directly by Deschamps, what proportion is done by subcontractors under him by contract. I do not want you to be exact in connection with it; I just want to get ratios.

Dr. FRIGON: I have not got enough of a breakdown here to give you any figures but, for instance, we have items such as the electrical, mechanical part of building structural. In building structural, you have such items as the painters, plasterers—that is subcontract, but some of the carpentry job would be by his own men.

The CHAIRMAN: Now, I might give you the idea that I am trying to follow in asking these questions. It is generally considered, as Mr. Fleming pointed out, that people spending money usually call for and get competitive tenders and you have given reasons why it was not done here. But with respect to a very considerable amount, you did cause him to very thoroughly protect you by competitive tenders?

Dr. FRIGON: Yes.

The CHAIRMAN: For a certain amount of the expenditures. Now then, what I was trying to arrive at was, what is the percentage of the expenditure for which we do have that absolute—as we think it is—protection of tender? And I did not think we had to be exact about it, and put it this way: what did he do himself and what did he let somebody else do on tender?

Dr. FRIGON: Here is an item which is called "building structural". The valuation of this building is \$908,000. I cannot tell you here and now how much of that was plastering to subcontractors or painting or labourers or electrical as compared to his own carpenters putting up the partitions or his own labourers pouring the concrete.

The CHAIRMAN: A part of that \$1,300,000 was in wages, mainly to his own organization. Now, I am thinking from such contracts as I have seen, that his own wage bill would not take such a large proportion of that \$1,300,000, but rather that the greater mass of it would have gone to people with whom he made contracts on a competitive basis.

Dr. FRIGON: I would think so and those several contracts entering into the general contractor's job form very large items, such as the installation of a ventilating system and thousands of square yards of plastering. Now, the exact portion I could not tell you. Another thing, even on his own men working on

his payroll as general contractor, we kept track of that as to the rates he paid. We had a man keeping time on the job, and we were constantly in touch with whatever was being spent by him.

The CHAIRMAN: Yes. Well, now, look here, you did approve every contract that was made on a competitive basis.

Dr. FRIGON: Yes.

The CHAIRMAN: I rather think it would be a good idea if the committee, and through the committee the House of Commons and the public, knew the extent to which we did avail ourselves of the protection of the competitive tenders and it would not, I suggest, be a very big job to have you file, some time next week, a statement of the contracts thus made.

Dr. FRIGON: We will do that.

The CHAIRMAN: Then, there is a second protection that you already touched on, that I would certainly take with regard to myself if I were going to pay a man all the money he paid out plus eight per cent of a certain figure, and that would be that I would try to make sure he did not have a large number of brothers-in-law and cousins and other people like that on his payroll. You say all that sort of thing was checked?

Dr. FRIGON: I will tell you this, I frequently went around the building to see what was going on and, I would say, the general labour, the carpenters, the men who were working for him, were much more active than those working for the sub-contractors.

The CHAIRMAN: What I am thinking of are the sleepers; I think the classic expression is padding the payroll.

Dr. FRIGON: I am sure that that did not happen. I frequently remarked to our own people how his group was working well and gave us a good day's work.

The CHAIRMAN: I had a chat with Mr. Deschamps there on Monday. If he reads the record of these proceedings, which I do not think he will go to the trouble to do, I want him to feel that I am not trying to make him out a rogue.

Dr. FRIGON: There are a great number of checks to prove that was very well taken care of, that he was not padding the payroll or protecting anybody.

The CHAIRMAN: You are quite satisfied you took every protective device that you could?

Dr. FRIGON: Yes, and I must say that every one of his workmen have been working with him for twenty-five years, men such as the carpenters, superintendents, foremen on the job.

The CHAIRMAN: Tell him if he reads the record that we are not trying to impute dishonesty to him.

Mr. FLEMING: Mr. Deschamps is a well known contractor. He is an efficient contractor. He is a member of the National Labour Relations Board.

Dr. FRIGON: You may ask why we were so keen on giving the job for the foundations for the television studios to him. He is more or less a specialist in that work. He has had I think four successive contracts from McGill University for their work on foundations. He is an engineer himself and he has been a contractor in that field for thirty years. That field is his specialty.

The CHAIRMAN: You gave him the contract to build the television building in the same manner?

Dr. FRIGON: We gave him the contract for the first part of the television building, that is the foundation, the structure, and the slab for the floors and ceiling and roof.

The CHAIRMAN: All of the floors.

Dr. FRIGON: The four floors plus the basement. When that is done we will call for tenders for all the other trades ourselves and he will go out. We will call for tenders for the brick and all of the other trades. His contract for the television building does not call for supervision of anything but his trade.

The CHAIRMAN: He is to deliver you a cube with slabs in it?

Dr. FRIGON: Not even that—without even walls.

The CHAIRMAN: No walls?

Mr. LANGLOIS: When Mr. Deschamps issues a subcontract, on top of having to finance the subcontractors and to supervise the work, Mr. Deschamps is solely responsible for what the subcontractor does?

Dr. FRIGON: Not only that but he assumes responsibility for the general contracting. He is responsible for certain phases of the job.

Mr. LANGLOIS: He has his own responsibility as the general contractor?

Dr. FRIGON: Well, for instance on the electrical work from the ninth floor down to the basement we asked him to call for tenders from nine different contractors.

Mr. LANGLOIS: On this one item?

Dr. FRIGON: On the one item and the prices varied from \$65,000 to \$106,831. The chap who bid the \$65,000—by the way a Toronto firm, Ontario Electrical Construction—got the contract. Now we have three pages of such lists here—lists of subcontractors who were called in on a competitive basis.

Mr. FLEMING: Dr. Frigon, you started out with an estimate of \$1 million for architectural changes and you indicated you were about 12 per cent low. Does that mean your present estimate of a total of \$1,300,000 includes \$1,200,000 approximately for originally planned work, and about \$180,000 for extras that have been decided upon during the course of construction?

Dr. FRIGON: Five per cent additional work and 11.6 per cent increase in costs.

Mr. LANGLOIS: Did Mr. Deschamps do your demolitions too?

Dr. FRIGON: Oh, yes.

Mr. LANGLOIS: How do you stand on demolition?

Dr. FRIGON: We had a very pleasant surprise. The demolition part cost us much less than we expected. We saved on that.

Mr. LANGLOIS: What do you mean it cost less?

Dr. FRIGON: We thought—I do not remember the exact figures but our estimates for pulling down walls was higher than the result because we succeeded in keeping more walls than we thought at first possible. We thought at first we would have to pull down almost every wall on each floor. Now we have kept a great proportion of the walls as they stood.

Mr. LANGLOIS: Was there not some advantage in having such a contract on a cost plus basis? You would have had more difficulty in making alterations as you went along—under a contract fixed at the start?

Dr. FRIGON: As against calling for tenders? Yes. The set-up was different before the war. Here we did not know what we would find in the walls. Furthermore any contractor bidding on a fixed price at that time would have to have protected himself by 20 per cent in case of change in prices. You could not get in those days or even now, a fixed price, unless you were willing to accept a high price—the contractor has to protect himself.

Mr. LANGLOIS: That is very interesting but I do not think it quite answers my question. Had you given a straight contract from the very beginning the expenditures that you saved on demolition would have gone to the benefit of the contractor and not to the benefit of the C.B.C.

Dr. FRIGON: That is right.

Mr. LANGLOIS: And therefore, there was a definite advantage in having no fixed contract.

Dr. FRIGON: A fixed contract was out of the question. It could not be done.

The CHAIRMAN: Was there not something said in the press about you having bought a building in which the walls were falling down? When we looked it over none of us could discover anything like that.

Dr. FRIGON: I think a newspaper said that we had made a mistake and that the structure was no good. They said we had to support it. I would like to repeat that so far as the structure is concerned there was nothing faulty in the walls, the piers, the floors or anywhere. Furthermore, the building was well kept and from a structural point of view it was in perfect condition.

Mr. LANGLOIS: Would the paper which said that have had access to the plans of the Ford Hotel before the article was written?

Dr. FRIGON: The column in which it appeared was a typical gossip column. They reported that I had a cocktail bar in my office. Of course, I did not.

Mr. LANGLOIS: If you did, you did not show it to us.

Dr. FRIGON: They also reported that there was expensive panelling in my office. The panelling was plywood. It came out of the Murray Sandwich shop downstairs. It was there so they used it in my office. The architects did it.

The CHAIRMAN: Now look here, there was some work going on when we were down there. They were shoring not only the underpinning of your building but of another adjoining building. Is not that perhaps the reason the newspaper suggested that your walls were sinking into the ground?

Dr. FRIGON: When you construct a building of this proportion with foundations lower than the adjoining buildings, you have to support them.

The CHAIRMAN: That refers to the new television building.

Dr. FRIGON: Yes, to the new television building. That is right. That is the only building we are constructing, I mean the television building. All the rest is already built. So we have to dig down lower than the foundations of the main Ford Building and the tavern adjoining, and the adjoining buildings on Bishop Street. In doing so we are required to protect the walls of the other buildings, which means that when we prepare foundations, we must prepare them wide enough under the other buildings to support them.

The CHAIRMAN: You are, in digging foundations, removing lateral support from the Ford Building and from the buildings of your neighbours. Because you are temporarily removing the lateral support which you are giving to their underpinning, you must take care of it until you can get up the full support of a building.

Dr. FRIGON: It is not so much lateral as support. When we started this new television annex, the foundation was cut in line with the foundations of the old building. That means that the foundation did not rest on anything but rest on the ground, and that it was liable to tumble down.

The CHAIRMAN: And why?

Dr. FRIGON: Because it is lower.

The CHAIRMAN: Does it not tumble down because the land beside it has been taken away? And is not that lateral support?

Dr. FRIGON: All right, I shall settle for that.

The CHAIRMAN: The term is "lateral support". You must not remove lateral support from your neighbour. If you do, you become liable.

Dr. FRIGON: Yes. But the foundations do not depend on lateral support. They depend on what is underneath. And if what is underneath is not solid, it sinks, and then down comes the foundation.

The CHAIRMAN: I noticed that under each corner you had a very fine sand.

Dr. FRIGON: Yes, at one corner.

The CHAIRMAN: At one corner, and I asked one of your men there and he told me that as quickly as you took it out it was sliding away from the building that was above it.

Dr. FRIGON: Yes, indicating quicksand there.

The CHAIRMAN: That was the condition, that there was quicksand underneath there for a number of feet down.

Dr. FRIGON: Yes.

The CHAIRMAN: And certainly your building would tumble down if you did not watch what you were doing.

Dr. FRIGON: I think it should be noted that the quicksand is only under one corner of the building and that the rest of the ground is hardpan and some concrete dump that was put there when they built the Ford, they made it all solid ground.

Mr. LANGLOIS: Mr. Chairman, I move we adjourn now.

The CHAIRMAN: Just before we do, are you through questioning Mr. Fleming?

Mr. FLEMING: Not quite, Mr. Chairman. I am willing to go on but Dr. Frigon has been on the stand for a long time.

Dr. FRIGON: I am not as bright as I might be.

The CHAIRMAN: We will adjourn until tomorrow.

The committee adjourned.

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SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

FRIDAY, June 9, 1950

WITNESSES:

A. Davidson Dunton, Chairman of the Board of Governors, Canadian Broadcasting Corporation; Augustin Frigon, General Manager, of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

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MINUTES OF PROCEEDINGS

FRIDAY, June 9, 1950.

The Special Committee on Radio Broadcasting met at 10 o'clock a.m. The Chairman, Mr. Ralph Maybank, presided.

Present: Messrs. Fleming, Fulton, Gauthier (*Sudbury*), Hansell, Kent, Knight, Langlois (*Gaspe*), Maybank, Murray, (*Cariboo*), Richard (*Ottawa East*), Smith (*Calgary West*), Stewart (*Winnipeg North*). 12.

In attendance: Same as at meeting of Thursday morning, June 8.

Before proceeding, the Chairman invited the members present to listen to a recorded broadcast of the ball game which took place on Parliament Hill between Members of the Parliament and the Press Gallery. This broadcast was included in Thursday's News Round-up at 10.15 p.m., and was given by Mr. Hugh Boyd.

Dr. Augustin Frigon was called and supplied answers to questions unanswered at Thursday's meeting, on the awarding of contracts for the former Ford Hotel in Montreal.

The Committee concluded its study of the acquisition of the former Ford Hotel.

The Chairman read his reply to Mr. Joel Aldred, of June 1, 1950, and also Mr. Aldred's letter of June 7, 1950.

A debate arising on the appearance or otherwise of Mr. Aldred, the Committee rose at 11 to resume at 11.30 a.m.

ANTONIO PLOUFFE,

Clerk of the Committee.

The Committee resumed after Orders of the Day at 11:35 o'clock a.m. Mr. Maybank, the Chairman, presided.

Members present: Messrs. Boisvert, Decore, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Knight, Langlois (*Gaspé*), Maybank, Richard (*Ottawa East*), Robinson, Smith (*Moose Mountain*), Smith (*Calgary West*), Stewart.

In attendance: C.B.C. officials as present at 10:00 a.m.

Further consideration was given to the request of Mr. Joel Aldred to be heard. Mr. Smith (*Calgary West*), moved that Mr. Aldred be heard. In amendment, Mr. Henry moved that the Steering Committee hear Mr. Aldred. The question being put on the amendment, it was resolved in the negative. The question being put on the main motion, it was resolved in the affirmative.

In the temporary absence of the Chairman, Mr. Langlois, Vice-Chairman, took the chair.

The Committee commenced consideration of the Estimates referred viz. Votes Nos. 267 and 268 for 1950-51. A breakdown of these votes was distributed to the members present. The first item of such breakdown viz. "Performers' Fees" was considered and approved.

The Chairman read a draft of a letter he proposed to send to Mr. Aldred inviting him to appear for examination. The Committee approved of the contents. The Chairman will decide on what date and hour Mr. Aldred should appear.

The Committee adjourned at 1:00 o'clock p.m., until 2:30 o'clock p.m., this day.

The Committee met at 2:45 o'clock p.m. Mr. Maybank, the Chairman, presided.

Members present: Messrs. Boisvert, Coté (*St. Jean-Iberville-Napierville*), Decore, Fleming, Fulton, Gauthier (*Portneuf*), Hansell, Kirk (*Antigonish-Guysborough*), Kent, Knight, Langlois (*Gaspé*), Maybank, Richard (*Ottawa East*), Riley, Smith (*Moose Mountain*), Smith (*Calgary West*), Stewart (*Winnipeg North*).

In attendance: C.B.C. officials as present at morning sitting.

The Committee resumed consideration of Estimates Vote No. 267.

In relation to one of the itemized items in Vote 267 viz. "Travelling Removal Expenses and Duty Entertainment \$55,000.00", Mr. Fleming moved that the Committee recommend that the sum of \$55,000.00 be reduced to \$45,000.00. The question being put on Mr. Fleming's motion, it was resolved in the negative.

The Committee approved of Vote No. 267.

The Committee considered and approved of Vote No. 268.

On motion of Mr. Langlois,

Ordered,—That the Chairman report that the Committee has considered and approves of Estimates Votes Nos. 267 and 268 of the Main Estimates for 1950-1951.

The Committee adjourned at 3:55 o'clock p.m., until Wednesday, June 14 at 10:00 o'clock a.m.

JOHN T. DUN,
Acting Clerk of the Committee.

EVIDENCE

HOUSE OF COMMONS,

FRIDAY, June 9, 1950.

The Special Committee on Radio Broadcasting met this day at 10:00 a.m. The Chairman, Mr. Ralph Maybank, presided.

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

The CHAIRMAN: Gentlemen, I see a quorum. Mr. Weir, you might come in because there is a matter of great national importance to come up the first thing this morning. There is some sort of a report to be made, and as it has arrived, let us have it.

Mr. RONALD FRASER: Gentlemen, what you are about to hear said by the reporter for the *Winnipeg Free Press* does not necessarily represent the views of the C.B.C. (A record was played back describing a ball game which was played last night on Parliament Hill in which members of the House of Commons took part.)

I may say that that report went out last night all the way from St. John's to Victoria. The score was given as well. It was 15 to 6.

Dr. FRIGON: Mr. Chairman, I think you asked a question last night as to what proportion of the \$1,300,000 was allocated to the general contractor and to the sub-contractors. Let me say that of that \$1,300,000, the sub-contractors got \$975,000.

Mr. FLEMING: I take it that the allocation of contracts has all been completed?

Dr. FRIGON: All that part of the project was given under competitive bids.

Mr. FLEMING: All the sub-contracts are out?

Dr. FRIGON: There will be more coming yet to complete the \$1,300,000. What I gave you was the estimate on the 10th of May.

Mr. FLEMING: You mean that the figure may be added to?

Dr. FRIGON: Yes, slightly, but not to any great extent.

Mr. FLEMING: Might I now turn, Mr. Chairman, to the other branch, the \$800,000 being the estimated cost for the new equipment? I wonder if Dr. Frigon would outline how the corporation has proceeded in connection with the purchase of that equipment. Is it equipment that you usually award by contract and under tender?

Dr. FRIGON: We made some of the models of the first issue in our own shops, for example, studio turrets, control turrets. And once we had made a sample of one turret, then we gave the contract for the balance to the Northern Electric Company.

Mr. FLEMING: For how much?

Dr. FRIGON: \$170,000.

Mr. FLEMING: A contract for \$170,000 was given to the Northern Electric Company.

Mr. OLIVE: There were minor contracts as well which went to the Northern Electric Company and to other companies.

Dr. FRIGON: In that field there is equipment which you have to buy from a given firm because they are the only ones who make it. For example, if you want a certain type of microphone, you must buy it from a certain company because the others do not build that type. Every time, however, there was an opportunity to call for tenders for different things; we did so.

Mr. FLEMING: Of this \$800,000 for equipment, how much of that equipment would be made in your own workshops and how much of it would be purchased outside?

Dr. FRIGON: What we did in our own workshops does not amount to anything in terms of dollars and cents. What we made were models so that we could study the functioning of the equipment in order to ascertain what we wanted.

Mr. FLEMING: So the \$800,000 is going for the purchase of equipment from outside organizations?

Mr. STEWART: In visiting other studios I found a great lack of proper equipment for carrying on the work you have to do. Have you got everything you need in that respect?

Dr. FRIGON: No. We are short in many departments. For instance, you saw four tape recorders in Montreal the other day. They are the latest model. I do not think we have any in Toronto of that type, although we should have some there. The purchase of these new recorders will amount to \$100,000.

Some of the other types of recorders such as the disc recorders, were built by ourselves in our own shops. We bought the parts and put them together and built a complete recording machine according to our own specifications and design. I do not think we bought any new microphones for the new building. The expenditure was all in the way of master controls, monitoring systems throughout the building, studio turrets, recording equipment, and that sort of thing.

Mr. STEWART: Here you have a building in Montreal which is going to be one of the most up to date in North America. Surely, you need to have the best equipment you can possibly get for that building.

Dr. FRIGON: Not only that but whatever equipment we have when we move into the new building, any equipment left over will be used, it is useful in other studios. After all, we operate something like sixty centres and that requires a lot of equipment, from microphones to control equipment and recording equipment. We bought this year six tape recorders for Winnipeg, for instance, for the specific purpose of recording programs for delaying purposes; in other words, a program coming from Toronto may be recorded in Winnipeg, kept there for three or four hours, and broadcast to the western region at a proper time. The same thing is done in the other direction. In doing that we had to spend some capital on this equipment, but we saved money in the end because so far we have had to request a local private station to do that for us, at a price, of course. It is the same at Sydney, Nova Scotia. We do record quite a number of programs in Sydney for rebroadcast to Newfoundland.

Mr. FLEMING: Of the \$800,000, how much has been awarded by tender?

Dr. FRIGON: \$345,000 to date.

Mr. FLEMING: And the awarding of these contracts is not completed yet, is that right?

Dr. FRIGON: There are some more coming.

Mr. LANGLOIS: You mean the full \$800,000?

Dr. FRIGON: No.

Mr. FLEMING: What proportion does the \$345,000 represent thus far?

Mr. OLIVE: It would represent slightly less than half.

Mr. FLEMING: Of the amount contracted for to date, not the \$800,000, but the amount contracted for to date.

Mr. OLIVE: The figure that Dr. Frigon gave you.

Mr. FLEMING: You say that \$345,000 in the contract had been awarded by tender. Out of how much?

Mr. OLIVE: Out of the \$800,000.

Mr. FLEMING: Yes, but you have not committed the full \$800,000 yet, have you?

Mr. OLIVE: No.

Mr. FLEMING: You indicated there may be some more to come to be awarded by tender.

Dr. FRIGON: On the 10th of April the committee purchases on that item amounted to \$732,000.

Mr. FLEMING: That is what we want.

The CHAIRMAN: That means you have only about \$60,000-odd left of the \$800,000.

Dr. FRIGON: It is pretty nearly all committed. Work orders have been issued to cover these things. Some of the equipment we have to buy at certain places; for instance, recording machines, you look around for a type of machine and you buy that type. The machine is on the market, the price is known and it is sold for the same price anywhere. You buy it just the same as you would a toaster or any electric appliance in the stores. In most of these things there is no room for calling for tenders except in the case of the master control and monitoring system. There we called for tenders from half a dozen firms.

Mr. LANGLOIS: The other day in Montreal we were shown in one of your studios a sound wave recorder and we were told that this machine was built up by your own staff and that the parts came from war surplus. In this item of \$800,000 of equipment, how much of this equipment comes from war surpluses?

Dr. FRIGON: Hardly anything at all. The equipment you saw there is equipment we have had for some time, that we use all over the country to measure acoustical characteristics of studios.

Mr. LANGLOIS: The component parts of this item of equipment came from war surplus?

Dr. FRIGON: Yes, but some were bought somewhere else. That piece of equipment you are referring to now we have had for quite a while. It is what we use to check the characteristics of our studios.

Mr. LANGLOIS: What do you call that?

Dr. FRIGON: Sound measuring equipment. It is to measure the echo in studios to find out if the reverberation is right; whether there is too much or not enough. You can design studios to obtain whatever effect you want. You may want a bright studio, so you would use bright material and if you want a dull studio you would use the opposite kind of material. So, when the studio is built we measure the characteristics and the material used is corrected, if required, to bring about what we want. Some like a bright studio, others a dull studio.

Mr. FLEMING: Dr. Frigon, I take it we can assume in the case of the \$345,000 awarded on tender that in each case the lowest tender was accepted.

Dr. FRIGON: That is right.

Mr. FLEMING: And that leaves roughly \$450,000 committed on which you say it was not possible to ask for tenders because the equipment is of a special nature to be designed.

Dr. FRIGON: Yes, something of that order.

Mr. FLEMING: What firm or firms have received the bulk of the orders in the \$450,000?

Dr. FRIGON: Northern Electric.

Mr. FLEMING: All?

Dr. FRIGON: Not all, the bulk of it, because that part of the equipment is what we call audio equipment, that is, equipment that functions at the frequency of sound, as a telephone. The Northern Electric is better organized to do that sort of work because they are so close to the Bell Telephone. All those parts you saw in the control room and control turrets are really sort of telephone equipment, the relays, jacks and switches, that is all part of telephone work equipment except that it is adapted to radio and it is more intricate than telephone equipment.

Mr. FLEMING: Was the \$800,000 an original estimate or is that the estimate to date?

Dr. FRIGON: That is the estimate on the 10th of May this year.

Mr. FLEMING: How is that compared with the estimates you made at the time, in 1948?

Dr. FRIGON: It is higher than what it was in September, 1948, for the reason I gave you yesterday.

Mr. FLEMING: What was that estimate?

Dr. FRIGON: It was between eleven and twelve per cent lower.

Mr. FLEMING: About the same ratio as in the case of the renovation of the building, twelve per cent?

Dr. FRIGON: Yes, and as I explained yesterday the biggest item was the difference in the estimated cost and the real cost of the master control which was a thing almost impossible to figure out unless you spent a lot of money in designing and incurring costs. That is what I said. Even the companies who were used to doing this sort of work, like the R.C.A. and Northern Electric and General Electric, took three months to figure out their costs.

Mr. FLEMING: What is the overall completion date of the building and the equipment?

Dr. FRIGON: We had thought we would be ready early this summer but we are delayed by the fact that the cooling equipment for the ventilating system has to be on top of the roof and in the basement of the television building. So, now we are not planning to rush the thing through because that is going to be a delaying factor. We have got to wait until the skeleton of the television building is completed to be able to instal our equipment for cooling the air circulating in studios which means that we probably will move our program staff into the building when the air is cool enough not to require any artificial cooling.

Mr. FLEMING: Sitting here today in a temperature of 90 degrees I can appreciate that.

Dr. FRIGON: In the studios, with the doors being closed you can only cool the studios with a cooling system.

Mr. FLEMING: At the moment I gather you rather expect to be disappointed in your original hope in getting in this summer?

Dr. FRIGON: It is not very serious because the summer is not a good time for us to move. We produce a lot of programs in summer to replace commercials which are stopped in summer, and furthermore people take their holidays in

summer, and between the extra production and people going on holidays it does not make a good period to move in July or August, so we will probably move towards the end of September or October.

Mr. LANGLOIS: Your television annex will not be built by then?

Dr. FRIGON: No, but if the frame is built we can put the compressors in the basement and furthermore, we will not need any cooling in winter, all we need in winter is ventilation.

Mr. FLEMING: I would like to ask a few questions about the cost of that television building.

The CHAIRMAN: Just before you do I was going to ask some questions in reference to that cooling system. You have a cooling system where, at any rate, the studios are all cooled and ventilated separately, each one separately from the other.

Dr. FRIGON: That is right.

The CHAIRMAN: It would be my guess that a system of that sort costs more than a cooling and ventilating system that was the same all through the building, is that correct?

Dr. FRIGON: We have no ventilating system through the building, we only ventilate our studios, and not only do you have to have a closed circuit for each studio but you have to line your ducts so they will not vibrate. You have to line them inside and outside to keep them from vibrating.

The CHAIRMAN: If you had a system whereby they were all treated at any given moment in the same way would that not be cheaper than the way you have now?

Dr. FRIGON: Well, if we only had the main ducts and branches going to the different rooms it would, of course, be much cheaper, but in our case we cannot do that because all the sounds coming from the different studios would then be mixed. Sounds from one studio would go back along the branch to the main duct and then up another branch to another studio. That would be the difficulty there. In our case we have to isolate every ventilating circuit from all the others.

The CHAIRMAN: I am not suggesting it should be the other way and therefore cheaper. What I am trying to get down on the record is the fact, if it is a fact, that the ventilating system that you require is more expensive than another ventilating system.

Dr. FRIGON: Decidedly.

The CHAIRMAN: Well, can you give us any idea of the additional cost that you are incurring because of this separate ventilating system.

Dr. FRIGON: It could be figured out but I have not any figure here. You see, for instance, in an ordinary ventilating system you may have one or two fans according to the circuits, but in our case we have to have one fan per studio. I have no comparative figures.

The CHAIRMAN: You have a completely separate system for each studio?

Dr. FRIGON: That is right. And we introduce into the ventilating circuit some fresh air when the outside air is too warm and that goes through a cooling system which we use in the summer time. That is why the date of occupation has nothing to do really with the schedule of construction. There are other factors which interfere in our plans as to the date when we shall go in. Another thing is this, our present studios are in the King's Hall where we have a lease, we pay rental there, and when we move out we will have to find another tenant and arrange the transfer of the lease.

Mr. FLEMING: How long has your lease to run on those quarters?

Dr. FRIGON: Up to the first of May, 1952.

Mr. STEWART: You say your studios are air conditioned and air controlled but your offices are not. Would it not add to the efficiency of your office staff if you also had the offices air conditioned?

Dr. FRIGON: In our case, we have so many windows that ventilation is easily done through opening and closing the windows. That is one of the features of the building, that it is easy to ventilate any room. There are three wings plus the main body and there are hundreds of windows and each office can be ventilated through usual ventilation in that way.

Mr. STEWART: I can imagine that some days in Montreal you would not appreciate the sort of ventilation you are getting.

Dr. FRIGON: On the top floor of the west wing where you saw my office, it is exposed to the sun in the afternoon and because of that is liable to be much warmer than other parts of the building. Those occupying the central wing or the east wing have already noticed it is nice and cool.

Mr. STEWART: The point I am trying to make is that an air conditioned building does add to office efficiency.

Dr. FRIGON: Decidedly so but it is very costly.

Mr. SMITH (*Calgary West*): A few years ago I had a talk with Mr. Lloyd Egner. He was vice president of the National Broadcasting Company. He told me they had tried all sorts of ways in the studios to control sound and he told me then they thought they had it solved; that if you had a room where no two walls were parallel, where the ceiling and floors were not exactly parallel, that that had the effect of bouncing the sound, and that that had solved this sound problem. I have not heard any more about that for years now and I am wondering if it ever worked out.

Dr. FRIGON: If you had been in Montreal on Monday you would have noticed all our studios are built that way with walls that are not parallel or with projections to give that effect. Even our small studios are built to obtain that result.

Mr. FLEMING: I wanted to ask some further questions regarding this television building, or the television annex as it has been called. Dr. Frigon touched on it briefly last night.

The CHAIRMAN: There was something on the subject of equipment that I wanted to ask and that would break in ahead of this, would it not, Mr. Fleming?

Mr. FLEMING: Oh, yes.

The CHAIRMAN: There has, as you know, been some criticism about equipment being bought more from the United States than from Britain. Now, have you any comment to make about that? There is quite a strong feeling, you know, that purchases should as far as possible be made from the sterling area.

Mr. LANGLOIS: Are you talking of television equipment?

The CHAIRMAN: No, this other equipment we have already been dealing with and I wanted to get an explanation in this regard. You bought mainly with American dollars, did you not?

Dr. FRIGON: When we started this scheme it was quite in order to buy all we could in Canada and the equipment I am talking about now mostly has been manufactured in Canada.

The CHAIRMAN: I see.

Dr. FRIGON: But when it comes to television equipment it is a different story altogether.

The CHAIRMAN: I am not dealing with that, but this other equipment you have spoken of. You have spoken of some contract given to Northern Electric. Have you been able to buy any British equipment at all?

Dr. FRIGON: I suppose we could have obtained some of that equipment in Great Britain although their standards at times are a little different. They would have had to build according to our design. What we have now conforms to American practice of studio operation. Now, we did not go to Great Britain for that part of the equipment, because we tried very hard to buy as much material as possible from Canadian firms or branches of American firms in Canada, such as the Northern Electric which has the benefit of the facilities of Western Electric in the United States. That is part of the Bell Telephone System there and it is associated with the American Telephone and Telegraph. That is all the same group. However, what we built was mostly built in Canada except possibly some parts. They had to buy meters which are not fabricated in Canada, so I would say that the great bulk of the equipment that we bought is of Canadian manufacture.

The CHAIRMAN: Were your specifications when you called for tenders, such as to exclude British tenderers?

Dr. FRIGON: If you are talking strictly on the sound broadcasting, no, but the British countries would have had to build their equipment in conformity with our practice, which is not necessarily English practice. For instance, some of the other equipment is more manual than ours. There is more work done through jacks, that is manually, but we have a good deal of the work done automatically, as is true of the American networks.

The CHAIRMAN: Have you been able to buy any British equipment?

Dr. FRIGON: We have given an order for television equipment to Great Britain.

The CHAIRMAN: I saw recently where a contract had been let to some British company. Was that for television?

Dr. FRIGON: Yes, we asked different firms to tender. Canadian Marconi sent a bid for British Marconi equipment and as it happened to be the lowest they got the contract. I must add the British Marconi will build, and I believe are building generally speaking, according to R.C.A. standards—American standards for mechanical parts and R.C.A. standards for electrical parts. So, when we received the Marconi bid for the machinery built in Great Britain to American specifications we were very pleased because it fitted into our picture perfectly.

Mr. FLEMING: Dr. Frigon, in connection with the television or the television annex as it has been sometimes called, would you indicate to us what estimates have been made as to the cost of the building, and what steps were taken in connection with the award of contract to Mr. Deschamps?

Dr. FRIGON: Well, we have awarded the first part of the contract to Mr. Deschamps which will cover the foundations, the underpinning of our walls, the structural design, which may be either steel or reinforced concrete—we are deciding on that right at this time—and the concrete slabs for the basement, each floor, and the roof. When he has done that he is through. We have given the contract to him because he was on the job and it was natural that he would carry on with what you might say was the basic work of the main building. When it comes to the divisions within the building, the plastering work, the electrical work and so on, tenders will be called for by us.

Mr. LANGLOIS: When you say the contract was awarded to Mr. Deschamps, under what conditions was it awarded?

Dr. FRIGON: We estimate that the part of the work which he has undertaken to do will cost \$150,000. We are working on the basis of 8 per cent, as we do for the main contract, and as it stands now he has to complete that part of the job for a fee of \$12,000.

Mr. LANGLOIS: Fixed?

Dr. FRIGON: Fixed.

Mr. FLEMING: But again, as in the case of the other building, you did not ask any other contractor to tender on services?

Dr. FRIGON: No, but we will ask bids on everything but the section which I have mentioned.

Mr. LANGLOIS: You have to call for tenders for structural steel?

Dr. FRIGON: We have called for tenders for structural steel and we have got a price now but delivery is very poor so we are now studying the possibilities of using reinforced concrete instead. It may give us an earlier delivery.

Mr. FLEMING: This land on which the television building is being erected is owned by the government of Canada?

Dr. FRIGON: Yes.

Mr. FLEMING: I suppose, as in the case of the big building, there has been no agreement or understanding reached with the government yet as to the terms under which you will occupy that building?

Dr. FRIGON: The building is built by the C.B.C. out of the loan for television; the building will be on ground owned by the government; the building will be an asset in the C.B.C. balance sheet; but there will be no rent paid to the government.

Mr. FLEMING: Did you ever seek permission of the government to build on this land? It is entirely a C.B.C. project and not one in which the government is going to be interested?

Dr. FRIGON: That is right.

Mr. STEWART: I imagine that in time you will have to expand still further. Is the basement of this building being so constructed that you will perhaps be able to add another seven stories?

Dr. FRIGON: There will be five stories and the building is designed to provide for two additional stories—which would give us a seven-story building.

Mr. FLEMING: The government must have been consulted about this—they must have given some permission for the erection of the building?

Dr. FRIGON: All we do, whether it is for the main building or for any other contract, is to obtain permission by order in council. We had an order in council first granting the loan of \$4½ million and then each section of the project has to be approved as we go along. They have approved the location of this first basic part of the program.

Mr. FLEMING: When the government gave that approval were all your estimates and plans submitted to the Department of Public Works?

Dr. FRIGON: No.

Mr. FLEMING: They just did that on your recommendation without having reviewed the plans and estimates?

Dr. FRIGON: Yes, because we think we are organized as well as anybody in Canada to do this.

Mr. FLEMING: I think they have shown great faith in you?

Dr. FRIGON: I think we have.

Mr. FLEMING: I say "they have".

Dr. FRIGON: Why should they not?

The WITNESS: It is a straight corporation project.

Mr. FLEMING: It differs from the Ford hotel undertaking essentially in this respect—that this building is exclusively a C.B.C. project. Nevertheless, is it not a rather anomalous situation that it is constructed on land owned by the government?

Dr. FRIGON: There is an accounting problem which will have to be solved some day, but that is the situation now.

Mr. FLEMING: Does the board of governors think that is a satisfactory arrangement or have they not given consideration to the purchase of the property from the government?

The WITNESS: We have not done so yet but I think it might be a most satisfactory thing to have the title to that parcel of land ourselves.

Mr. LANGLOIS: I do not wish to comment on the matter of the confidence that the government has in Dr. Frigon and the staff, but I think it is fair to say that an outside engineer was consulted. In the case of the Ford hotel it was Mr. Fortin.

Dr. FRIGON: Yes, on structural design, and he is also our consultant on structural design with reference to the television annex.

The CHAIRMAN: With reference to the matter of title your position with respect to the Ford hotel is that you are not the actual owner of the building about which we had so much discussion yesterday.

Dr. FRIGON: No.

The CHAIRMAN: That is owned not in the name of the King in the right of the dominion but in some other name is it not?

Dr. FRIGON: The actual ownership is in the Crown.

The CHAIRMAN: Is it not in the name of a Crown corporation?

Dr. FRIGON: No.

Mr. FLEMING: We went over this last night and we were told that the title is vested in His Majesty the King. That was when you were out I believe.

The CHAIRMAN: I did not know that it had been asked last night.

Dr. FRIGON: I have a copy of the deed here.

By the Chairman:

Q. It is all right. The building is partly used by the C.B.C. for its national work and partly used in the international service?—A. That is right.

Q. The international service is a matter of straight government cost?—A. That is right.

Q. I suppose you will work out some sort of a lease arrangement for yourselves?

Mr. FLEMING: We went all over that too.

Dr. FRIGON: You have got the same situation in Sackville where the government owned international service equipment is on our land—C.B.C. land.

The CHAIRMAN: Well, that is all right too. I believe, Dr. Frigon, that there is enough on the record in that regard.

If there are no other questions related to the Ford hotel perhaps we might next turn to the estimates, which subject is the only one left.

The WITNESS: I might say first that we are very sorry that Mr. Dilworth of the international service could not be here. He was up in Ottawa three weeks ago and was suddenly taken very seriously ill and is still in the Civic Hospital. Mr. Charles Delafield, assistant supervisor, is here.

The CHAIRMAN: Before we proceed to that matter I have received a letter while I have been sitting here and which you will perhaps wish to have referred to the steering committee; I do not know.

You remember the case of Joel Aldred. It was arranged that I should write him and tell him the decision of the committee at that time. My letter to him was as follows:—

Dear Mr. Aldred:

I received your letter of May 31st. I presented it to the Radio Committee today. The committee decided by motion to ask you to particularize further with reference to the evidence you would give if you came before the committee as a witness. Upon receiving such particulars from you the committee would make its decision with reference to inviting you or not inviting you to come forward as a witness.

I make the following purely personal comments on your letter with reference to particularization. You have said "appalled at the wastage which exists." I would advise that you detail this.

You describe C.B.C. reports by the words "sketchy" and "inaccurate". I would advise that you amplify these descriptions and especially that you specify inaccuracies.

You say you "may be able to divulge certain informations". I would advise that you divulge it in your statement of particulars.

I beg to remain

Yours very truly,

(sgd) RALPH MAYBANK, M.P.

This morning there has been handed to me since the start of this session:

Dear Mr. Maybank:

I received your letter of June 1st, with reference to my giving further particulars to your committee in writing.

I wish to emphasize again, as I did in my letter to you of May 31st, that the information which I want to bring forward concerns mainly the internal operations of the C.B.C.

Because of the strong "fear complex" which exists within the Toronto C.B.C. Staff, it is not my intention to outline in detail the nature of the evidence I wish to present. In the event that after outlining it, the majority of the committee decided not to hear my evidence, there could easily be more pressure put upon Toronto staff not to discuss in any way, C.B.C. affairs. You must remember, that where a monopoly exists in a creative art, it is necessary to stay on the right side of that monopoly, or your means of livelihood can be sharply curtailed.

Broadly speaking, the information I would like to put personally before the committee, will touch upon wage rates, staff turn-over, over-staffing, technical inadequacies, program imbalance, TV. To protect certain C.B.C. employees, I am unable to be more specific.

As an interested Canadian citizen, I am quite prepared to spend a day in Ottawa at my own expense. To my mind, there is no valid reason why I should be refused permission to appear before your committee.

Most sincerely,

(sgd) JOEL ALDRED.

Well, what is your wish with regard to that?

Mr. STEWART: It seems to be nothing but a repetition of rather loose allegations. Unless Mr. Aldred is prepared to be more specific I think it would

be a waste of time to hear him. I have no objection to hearing him but if he feels he has charges to make against the C.B.C. there is no reason why he cannot take the responsibility upon himself, without implicating any member of the C.B.C., to give us some details. Unless he is prepared to do so I suggest we should not bother listening to him.

Mr. RICHARD: I second that motion.

Mr. LANGLOIS: If Mr. Aldred thinks that there is some information that he cannot disclose in a letter, because he is afraid of hurting somebody, the same objection will exist if he comes before us. What is the use of getting him here if he refuses to answer questions? Under those circumstances I do not think we will achieve any purpose if he refuses to give details in answer to those questions that will be asked of him. It seems to me that will likely be his attitude, according to this letter. He wishes to make vague statements.

Mr. GAUTHIER (*Portneuf*): Is he a technician?

The WITNESS: He is an announcer.

Mr. GAUTHIER (*Portneuf*): How can he give us something worthwhile regarding the technical service; he is not qualified for that.

The CHAIRMAN: Gentlemen we will have to rise to go to the House of Commons.

Mr. RICHARD: Can we dispose of that matter now?

The CHAIRMAN: I thought we could but you might think it over.

Mr. STEWART: I would like to think it over and read the letter again before I make up my mind.

Mr. MURRAY: It would be very interesting to hear from Mr. Delafield who is in charge of foreign broadcasting I believe.

The CHAIRMAN: I just interrupted with this letter because it had come to me at this time.

Mr. FLEMING: We are going to hear about the international service.

The CHAIRMAN: We will settle the question of the letter as soon as we come back after Orders of the Day.

(Upon resuming)

The CHAIRMAN: Gentlemen, we have a quorum. What is your will and pleasure with reference to the letter of Mr. Aldred?

Mr. SMITH (*Calgary West*): Mr. Chairman, I am going to move that the witness be heard. I may say that I am not impressed with what he has already said to us, but as a committee I think we are in a position that if we refuse to hear him, very much will be made of something which perhaps may be of no substance. I do not know. I have not been here very long, but I do not know of a committee refusing to hear a man unless it was thought that he was insane or something of that kind.

The CHAIRMAN: My own recollection is that we have never had such a case as yet.

Mr. SMITH (*Calgary West*): I do not recollect of it having been so. And while he is obviously a disgruntled employee, I do not think that should bar him from coming here. He does mention a number of things in connection with the internal operation. So without saying anything further, I move that he be heard.

Mr. LANGLOIS: Mr. Chairman, I made a few remarks before we adjourned for the opening of the House. I have no objection to calling any witness here and especially Mr. Aldred. But if we did call him, he would have to come here with the understanding that he would be prepared to answer any questions and that he would be specific about his answers. There would be an understand-

ing as well that we would not sit in camera, but that the discussions would be in the open. It must be understood that he would have to answer all questions. I wish to point out that this man claims that he has some statements to make regarding some technical errors in the operation of the C.B.C. I do not know much about his background, but I refuse to consider him as an expert. I do not think he is qualified to testify before this committee as an expert on radio broadcasting. He is merely an announcer and I do not think he would know much about the technical part of radio broadcasting. With those reservations I have no objections to having him here, but it will have to be made clear to him before he appears that he will have to answer all questions and give all necessary details that we might require of him. It must be made clear to him so that he will not come here with an understanding that he will be privileged to refuse to answer for reasons such as those mentioned in his letter; that he does not want to hurt anybody and that he does not want to put somebody in jeopardy. He must answer all questions and give all details that we might require of him.

Mr. KNIGHT: In reference to what has been said, has the gentleman said that he is not prepared to answer all questions? Has he made a statement that there are certain things that he does not care to talk about?

The CHAIRMAN: I have not got the letter before me, and whoever has it may check me if I am wrong.

Mr. KNIGHT: He would not be of much good to us as a witness if there are things he won't answer.

The CHAIRMAN: He said that he did not care to give the details in writing in view of the fact that we might decide not to hear him, because he thought he might be disclosing what might be harmful to some of the staff. I think that is the way it ran.

Mr. LANGLOIS: I was referring to the fourth paragraph of his letter which reads as follows:

Broadly speaking, the information I would like to put personally before the committee, will touch upon wage rates, staff turn-over, over-staffing, technical inadequacies, program imbalance, TV. To protect certain C.B.C. employees, I am unable to be more specific.

Well, if he cannot be more specific in his letter, I do not know if he will be very specific before the committee. I strongly object. If he be permitted to come here, the witness must not be permitted to be silent upon certain subjects because he might hurt somebody. Under those circumstances I think we ought not to hear him. I think he should agree beforehand to answer any questions.

Mr. FLEMING: I think we are all agreed on that. The committee will decide what is to be answered and not the witness.

Mr. LANGLOIS: I want to avoid having this man come before this committee to make vague statements and to say that for this reason or that reason he cannot go any further, and simply leave it at that.

Mr. FLEMING: I do not know that we are interpreting correctly what he said in his letter. I think what he said was that he did not want to put statements in a letter involving certain names if the committee should decide not to hear him or to hear his evidence because then some people might be hurt. I do not read it as saying that if he does come here he won't give all the information that the committee wants.

Mr. LANGLOIS: I read the paragraph. I thought he was talking about information to be put before the committee.

The CHAIRMAN: I think Mr. Langlois is right. I think Mr. Aldred is giving his objections in that paragraph to making advance statements. I gather

his letter might be interpreted in this way: I do not wish to give you advance statements unless I know whether or not I am going to be heard. But if I am heard, I am prepared to tell all.

Mr. BOISVERT: I read the letter and I think that is the meaning of the letter.

Mr. LANGLOIS: He said:

In the event that after outlining it, the majority of the committee decided not to hear my evidence, there could easily be more pressure put upon Toronto staff not to discuss in any way, C.B.C. affairs. You must remember, that where a monopoly exists in a creative art, it is necessary to stay on the right side of that monopoly, or your means of livelihood can be sharply curtailed.

That is the trend of mind of a man of this kind. He would come before this committee having this in mind and for this reason refuse to answer any questions. I would like to make it clear that if he intended to mean what Mr. Fleming said, he could have said exactly what Mr. Fleming said. But why did he not do so? I do not know. He could say: I want to be sure of getting an audition, or of being called before the committee, and I do not want to put anything in writing now. That would be a correct interpretation of the letter. But he indicates that he is afraid to talk under certain circumstances. I want to make it clear before he comes that he will be requested to answer any questions and that he will have to be at the disposal of the committee in this respect.

Mr. FLEMING: The committee always decides what questions shall be asked and not the witness.

Mr. LANGLOIS: Maybe he would come here and make a vague statement and get out of it, and you could not call him back.

Mr. FLEMING: Oh yes, we can.

The CHAIRMAN: Mr. Gauthier has the floor.

Mr. GAUTHIER (*Portneuf*): I shall not discuss the ability or the inability of the witness to come here and talk about television or technicalities. I do not think he is an expert, but we must not overlook the point that if we start this with one man, around one dismissal by the C.B.C., we are going to be obliged to receive any one who has been dismissed by the C.B.C. afterwards. So, on account of that, I move that he be not heard.

The CHAIRMAN: I think your motion would not be in order, Mr. Gauthier, because it is a direct negative of Mr. Smith's motion.

Mr. GAUTHIER (*Portneuf*): Well, I move against Mr. Smith's motion.

The CHAIRMAN: My own position is very much like that of a juryman who is supposed to be standing indifferently between his sovereign lord the king and the prisoner at the bar. I am very much in that position. This comment I think might be considered to be a fair one. When a witness comes forward you have it in mind that he must answer all questions. But he, however, can say whether or not he will answer a question; and whatever be the law of the matter, practically speaking we cannot force information from a witness who wants to hold back. A man may come to us and say: "Yes, I am quite prepared to make a full disclosure." But he may change his mind some time in the course of giving evidence and there is not very much that we can do about it. We could make a sort of pact with him that he must answer but we do not know how he would observe it.

Mr. STEWART: Here is a man making charges against the C.B.C. Perhaps the committee may decide not to hear him. Therefore a feeling of doubt will

be left in the minds of many people. On the other hand he has been asked to be more detailed and more explicit in his charges. He has deliberately refrained from being more detailed or more explicit. As for myself, if I made charges against the corporation, I would be prepared to make them in black and white and to come before this committee. But apparently this witness is not prepared to do so. Let us assume that he comes before the committee. What is going to happen? The C.B.C. has a lot of very powerful enemies in this country. We have heard of one today, the *Montreal Gazette*, which is prepared to lie like a trooper for the purpose of smearing the C.B.C. You have another outfit in western Canada, the Southam Press, which has its own radio connections. What will happen will be that the charges against the C.B.C. will be broadcast all across the country so that by the time the corporation gets around to answering them, the denials will not be heard. The net result will be damage to the corporation. So unless this man can be more specific in his charges, I do not think that we should listen to him.

Mr. HENRY: I have heard Mr. Langlois' comments with respect to a certain fear that the man will not be specific. I think the statement is too vague and that, under normal circumstances, he should be forced to make it more complete. In view of the shortness of time, that is a waste of effort. So I think that this man should come down here and be examined first by the steering committee and thereupon, subject to the recommendation of the steering committee, be heard by the main committee. If he were brought here and put under oath and examined first by the steering committee, we would then know what this is all about, and we would be protecting the employees of the corporation. I think that is something which the witness should clear up and I feel we should have a full statement of particulars. I do not think there is anybody on this committee who does not recognize the fact that the man may have something to say. I think it is only fair to say that he is a discharged employee. I have a suspicion that he may want to come here to wage partisan political warfare in a sense. So I think he should first come to be examined by the steering committee and that his evidence should be taken down under oath and transcribed. Therefore, I move as an amendment to Mr. Smith's motion that he be heard first by the steering committee under oath and that the evidence be transcribed; and then, subject to the wish of the steering committee, he be heard by the main committee.

Mr. GAUTHIER (*Portneuf*): Do you not think that he will adopt the same attitude before the steering committee that he has adopted in his second letter, that is, an attitude of "nothing new"?

Mr. HENRY: I do not know, but I think he should be heard by the steering committee first.

Mr. SMITH (*Calgary West*): I am opposed to the amendment on broad general grounds. Suppose he is heard by the steering committee and suppose that if the steering committee wishes it will recommend that he be heard by the whole committee, I think it is quite unfair to the steering committee and to everybody else that they should take a stand, or that an inference could be drawn that they had taken a stand in favour of what he had to say. I do not know why he should not come here and be treated as any other witness. Anything this man says must be subject to full cross-examination; and in the event of his refusing to answer any questions which we approve, we could simply move—and I would be glad to move—that he be not further heard on account of unreliability, which, I think, takes care of anything in the publicity way. Let us not go wasting our time. Here is somebody who says first "I can get information," and I grant that he does not mention that he has a grievance. I do not want to sit on a committee which will be so publicized. I said the other day an employee had been discharged by a man, and I almost said by Mr. Dunton.

He has got to have the proof that he was not properly and normally discharged by men of that type and really, sir, we do ourselves a grave injustice.

There is nothing stated here in the charges which are being made. That always happens in every committee. Take the one that is just sitting now with respect to old age security; all sorts of statements are made there which I cannot accept, but it is a chance that anybody takes who gives evidence before a committee of this kind.

Now, I will not say another word.

The CHAIRMAN: Mr. Plouffe has drawn to my attention a matter with reference to our powers in certain cases. It amplifies the remarks I made a little while ago. It is rule No. 603:

A committee has no authority to punish one of its members or other person, for any offence committed against it, as by disorderly words or contemptuous conduct, as, for example, when a witness refuses to testify, or prevaricates, but can only report such offences to the House for its animadversion.

I am in this position. I think we were aware that that was about our position. In any event, we cannot do anything. I ask if you have given this matter consideration, Mr. Henry; that in view of the terms of the letter of Mr. Aldred that what I might call the examination for discovery by the steering committee would probably be refused by the witness because he would almost certainly be making the public statement in advance of full examination, which he has, in his letter, objected to making. Would you not think that is so?

Mr. HENRY: That may be, but we will only know that when he comes for examination.

Mr. SMITH (*Calgary*): If he is well advised, he will refuse. Why put himself in jeopardy twice? It is a matter of choice.

Mr. HANSELL: Mr. Chairman, I might just make this one observation. I do not think we have anything to fear from this chap coming here when we recognize that we have some very capable lawyers on this committee who have been accustomed to appearing in court and having to question witnesses much more clever than this chap will be, and if he is rather junior in experience and knowledge of these things, it will very easily appear in this committee.

Mr. LANGLOIS: I do not think we have anything to fear along that line and I would support Mr. Smith.

The CHAIRMAN: I imagine in justice to those who have spoken in an attitude of opposition, that perhaps their main difficulty is that of setting a precedent for bringing in every other applicant rather than any question of fear of what this man may say and how he may be handled. That would be the interpretation I would put upon their objections.

Mr. HANSELL: Of course, the other interpretation could be put on it too. If some other person at some future time were to be brought here, the interpretation might be, "Well, we did not hear the other man; why should we hear this one?"

The CHAIRMAN: I think every act you do has implications for the future.

Mr. LANGLOIS: Following Mr. Hansell's remarks, I do not doubt that we have as capable lawyers here as anywhere, but I wish to point out to Mr. Hansell and the committee that those lawyers here do not have the same advantages as they have when appearing in a court of law. In a court of law if you have difficulty in getting something out of a witness, you can have him declared by the judge a hostile witness, and you have means at your disposal to force him to give his testimony—to answer the questions.

According to section 603 here, we do not have very much power in this respect but, just the same, I have no opposition to Mr. Aldred being called as a witness. However, I would ask the chairman to make it clear to him when he writes him that we have accepted him as a witness, to make it clear to him that he will have to be at the entire disposal of the committee and that he will have to answer all questions and that, for example, he cannot say, "Well, I cannot name Mr. So-and-So because I am afraid of hurting him," or "I cannot name So-and-So because I am afraid that this is going to jeopardize his career." He will have to be open to our questions entirely and be entirely at our disposal, and I wish to have this assurance from the chairman that something will be said in his letter to this man in this respect, so that it will also be fair to the witness. He will know where he stands before he comes before this committee and it will be in fairness also to members of this committee and to the staff of the C.B.C.

I have no objection to his coming before this committee, but I want it to be made clear that he will be at our entire disposal.

Mr. FLEMING: I do not see any objection to making that abundantly clear in a letter along the lines Mr. Langlois suggests.

Mr. SMITH (*Calgary*): I do not think the chairman would want to do this. I do not think the chairman of this committee would want to lay down a condition. I do not think he should go further than telling him that if he comes before this committee he will answer such questions as may be directed to him by this committee as any other witness who comes before the committee. I do not think we can do anything along that line. He is taking a chance in coming here as a witness for examination and he will be examined to the fullest extent as directed by the chair.

The CHAIRMAN: Now, I do not want to improperly or unduly shorten the discussion, but I do rather think that every person's mind is made up pro or con on these two motions. Would you be ready for the vote?

You will recall that you have a motion and an amendment before you. The exact wording of the amendment I have here, I think, but I was going to express it a little differently. I think we had better hold with the words. Mr. Henry moves that the steering committee will examine Mr. Aldred first and advise the committee as to its opinion as to whether he should be brought before the full committee to give evidence. That is the amendment.

Mr. Smith's motion is simply that the witness be heard. The amendment would come first. Those in favour of the amendment, please raise their hands. Opposed, if any?

The amendment is lost.

Now you have the motion before you, which is that the witness be heard. Those in favour raise their hands. Opposed?

Carried.

Now, I know that you would be quite willing to entrust the writing of the letter to me, but, frankly, I would like to read it to you before it goes and I am going to ask Mr. Langlois to take the chair. The examination will start on the foreign service on the estimates that we have before us, and I will bring back in a few minutes a letter which will go immediately to Mr. Aldred.

Mr. FULTON: Before you do that, I have a couple of questions on the C.B.C. generally. There are only two questions.

The CHAIRMAN: I would have no doubt that Mr. Langlois will take them.

—Mr. Langlois assumed the chair.

The VICE-CHAIRMAN: Mr. Fulton, you wish to go back?

By Mr. Fulton:

Q. There are just two general questions which I would like to ask which are unrelated to any of the specific discussions which have been going on before. Before I do so, may I say that I am asking them purely for information because I am very concerned with the measures being taken to enforce security throughout the country and I would, therefore, like to have Mr. Dunton state whether there has been a security screening of C.B.C. and if he can say what the results were with respect to releases or otherwise of employees.—A. Since the beginning of the international service, some security measures were taken. General measures covering all the staff of the international service were started in 1946 and were made more complete in 1948.

I do not know exactly how the word "screening" is used, but the security measures have been continuous since 1946 and are still continuing and will continue. There are no particular security measures of that kind taken with regard to the national service.

Q. Who does the screening, Mr. Dunton?—A. It is carried out by the Royal Canadian Mounted Police and in consultation with other authorities.

Q. Have there been any removals or releases as a result of screening since 1946?—A. There have been no removals or releases for security reasons.

By Mr. Stewart:

Q. How far do the screening measures extend? Last year in the House we had a discussion on this and I got the impression that violin players were screened, but afterwards the minister realized that he had gone a little too far and just senior executives were screened. Is that the case?—A. All of the staff of the international service is checked. There are, according to general procedure, different degrees of checking, but the whole staff are checked.

Q. What about artistes?—A. Normally a violinist is, of course, not on the staff and would not be. Sometimes particular inquiries are made regarding some people going on the air.

By Mr. Fulton:

Q. Mr. Dunton, have there been any transfers made from one service to another as a result of this screening process?—A. No transfers have been made because of security reasons.

By Mr. Fleming:

Q. As a result of the screening or the security measures, has the loyalty of any employees been impugned or put under suspicion?—A. I think the result of the screenings has been to confirm the fact, to support the fact that there is a very loyal staff.

Q. Has the screening been completed as to the whole of the staff?—A. I do not think it has been necessary to carry it that far. I know that all the personnel of the international section have been covered, but so far as the national service is concerned, we have checked them ourselves. We are only concerned—or we are principally concerned—with the international service check.

Mr. FULTON: Then screening has taken place with regard to the national service staff?

The WITNESS: No.

Mr. FULTON: Have any attempts been made or plans been made for checking the domestic staff?

The WITNESS: We have made no plans for that because we feel that there is no work of a confidential nature in the official sense as related to security information—information in the field of security—as applied to the national service and that therefore there is no need for checking for security purposes.

Mr. STEWART: What work of a confidential nature have you in your international services? Why was it necessary to have them screened?

The WITNESS: Well, you see, actually we are broadcasting all over the world and therefore it was thought very wise to be pretty sure of the integrity of people working on that service.

The VICE-CHAIRMAN: And you also have a lot of employees who are not Canadian citizens?

The WITNESS: Yes, some, and others of recent citizenship.

Mr. FLEMING: Would this be a fair way of summarizing it, Mr. Dunton; that the Board of Governors appreciates the necessity under present conditions of being very sure particularly in this international service that there are no subversive elements there at all?

The WITNESS: Yes. For a number of years, particularly since 1946 we have tried to be extremely sure of that and have taken very full measures with proper help.

Mr. FULTON: May I put this up to you, that more caution or precaution should be taken with respect to the domestic service for the reason I would imagine that if an emergency should arise there would be more opportunity for someone there to interfere with the proper carrying on of the work of the C.B.C.—

Mr. STEWART: It might not be very helpful to their cause, so I would suggest that that is a matter which could be left with the Board of Governors or whoever is responsible within the corporation to see that proper precautions are taken.

The WITNESS: I might say that the decision was based directly on the opinion of government authorities we were working with on security matters and they have not thought it necessary to recommend that any particular security precautions should be taken. As you probably know, a great deal of work is involved and consideration has been given to what agencies needed it and what did not; and our advice is that it is not considered by the competent authorities to be necessary in the national service, partly because the work in Canada is so obvious that it would become immediately apparent when it went on the air and the public would be quick to catch it immediately it made its appearance on the air.

Mr. STEWART: May I say this, that I hope the Board of Governors of the Canadian Broadcasting Corporation will resist this attempt which is being made to have every employee in the government screened. I think it is complete nonsense. I hope, so far as the C.B.C. are concerned, that where there is no confidential work being done there will be no screening and that this hysteria will be stopped. I am not saying that Mr. Fulton is hysterical, but I think all this screening is really the result of the hysteria which is sweeping the western world today.

Mr. FULTON: I suggest that Mr. Stewart does not fully realize the implications when he says there is no necessity for screening every employee of the government. I think that those who are charged with the responsibility of security protection should take every precaution to see that the enemies of our country are not put in a position where they will be able to obtain control or supervision at vital moments and in that way be able to do something which will further their cause and jeopardize ours.

Mr. STEWART: Here we have the senior officers of the C.B.C. present; don't you think we had better start in on them?

The VICE-CHAIRMAN: Now, gentlemen—

Mr. FULTON: I am not suggesting that there is any possibility or likelihood that subversive activities would be going on at the moment, but rather, obviously, that the time might come when with that sort of thing in mind, as the report of the royal commission on espionage indicated, they might put themselves in positions where they might turn the thing to their own advantage.

The VICE-CHAIRMAN: I have been overindulgent in allowing members to make some of the statements which have been made. I now suggest that we confine our discussion here to questions addressed to the witnesses. If any member of the committee has any comment he would like to make the proper time to do so would be when we are considering our report, and at that time if anyone has any recommendation or suggestion to make it can be considered. In the meantime, gentlemen, I suggest that we confine ourselves to an examination of the witnesses.

Mr. STEWART: But, Mr. Chairman, here is Mr. Fulton expressing a view with which I disagree and I think the one I have expressed is equally valid, and it has arisen out of the statement he has made.

The VICE-CHAIRMAN: I think we should confine ourselves to an examination of the witnesses.

The WITNESS: May I say this, that we are of course aware of the possible danger which Mr. Fulton has mentioned and we are keeping that in mind in the general operation of the staff affairs of the corporation; and the management in various ways naturally knows a great deal and can form a pretty good judgment of the people we have in our employ, and they keep that constantly in mind without going through any formal checking procedure.

Mr. FULTON: May I say that I am satisfied with Mr. Dunton's answer to my question, and I am satisfied that the Board of Governors and the management of the C.B.C. are keeping this matter constantly in mind. I hope that they will not get careless about the matter and that they will continue effectively to discharge their responsibility.

Mr. STEWART: Might I ask Mr. Dunton; how do you tell when a person is subversive or needs screening?

The VICE-CHAIRMAN: Mr. Dunton has said that the C.B.C. have not permitted any screening, have not done any screening themselves, that it is done by other authorities.

The WITNESS: I think you will agree, Mr. Chairman, that it is a very hard question to answer. In hiring people for our national service the management exercise particular care in selecting people as to character and making sure that they will be able to give good service to public through the corporation.

Mr. STEWART: Let me say that I am satisfied with what you are doing.

Mr. FLEMING: May I ask Mr. Dunton a question arising out of one of the answers? Do I understand that with respect to this question of the C.B.C. in co-operation with other security agencies screening the employees of the international service that they refer that matter to the government and the government takes the responsibility of seeing that it is done, and that they use their other agencies for the purpose of carrying out the actual screening of the employees in the international service?

The WITNESS: That is essentially what is done. We had consultations on this matter of security and that was the opinion as to what should be done,—that it should be done with respect to the international service but that it was not needed for the national service.

Mr. FLEMING: I mean that comes to you from government level?

The WITNESS: Yes.

Mr. FLEMING: And the Board of Governors of the C.B.C. have been guided by that opinion; is that a fair statement?

The WITNESS: I would say more than that, that we did not reach that decision just on the advice of any other agency, that is also our own opinion, that it was not necessary.

The VICE-CHAIRMAN: Gentlemen, the next order of business according to this memorandum of the decision made by the steering committee is a discussion of the estimates referred to the committee and we will now proceed with that order of business.

Mr. FLEMING: Mr. Chairman, I asked that at the same time we might have a table prepared giving us the details in the book of estimates for this year and also the same for last year's estimates and last year's expenditures, item by item.

The WITNESS: Such a table is being prepared, Mr. Fleming.

Mr. FLEMING: I suggest that it be put on the record at this point.

Mr. STEWART: Is the item in the estimates this year for performers' fees less than it was last year? that is the way it looks from this statement.

Mr. FLEMING: Just a moment, we would like to have this on the record at this point and then we can go ahead and ask questions about it.

The VICE-CHAIRMAN: Is it the pleasure of the committee that this statement be entered in the record at this point?

Some Hon. MEMBERS: Yes.

CANADIAN BROADCASTING CORPORATION

INTERNATIONAL SERVICE

VOTES AND EXPENDITURES

1949-50 and 1950-51

	Voted 1949-50	Expenditures 1949-50	Estimated Requirements 1950-51
Performers' Fees	500,000	384,641	385,000
Salaries	628,000	606,315	680,000
News Services	50,000	53,634	57,000
Postage and Excise	30,000	19,666	20,000
Printing & Stationery	55,000	74,155	58,000
Rental of Accommodation	25,000	25,410	11,000
Telegrams, Telephones & Teletype	40,000	35,233	40,000
Travelling, Removal Expenses & Duty Entertainment	60,000	34,868	55,000
General Operating Overhead	146,000	101,855	138,000
Transmission Lines	31,000	24,693	28,000
Power	40,000	27,586	40,000
Tubes & Maintenance	37,000	40,542	54,000
Montreal-Sackville Line	50,000	44,090	47,000
Improvements to Leased Properties	5,000	67	5,000
Supervision Charges	84,850	73,638	80,400
	<u>\$1,781,850</u>	<u>\$1,546,393</u>	1,698,400
Less Estimated Revenue			100,000
			<u>\$1,598,400</u>
Acquisition & Alterations: Equipment, Land & Structures	925,000		385,715
Supervision Charges	46,250		19,285
Revote of prior year		1,091,309	
appropriations required to cover outstanding Expenditures & Commitments at the 31st March 1949 and 1950 respectively	687,681		638,961
	<u>\$1,658,931</u>	<u>\$1,091,309</u>	<u>\$1,043,961</u>

Mr. STEWART: Now let us take this question of broadcasting programs between Canada and other countries. I believe that is what you call your international short wave service. Could you tell us something about that, how that is done?

The WITNESS: There is usually a good measure of reciprocity in these things. There are some programs on the national system which are carried overseas and paid for by the national system, and at the same time there are some international services programs which are also carried on the national system. I think these have been one or two instances in which costs have been split by special arrangement, but generally what I have said is true. A great majority of the programs on the international service have to be originated by the service itself.

Mr. STEWART: Yes.

Mr. FLEMING: Mr. Chairman, in the interest of orderly procedure I suggest that we call these items one at a time.

The VICE-CHAIRMAN: Yes, the first one there is performers' fees.

By Mr. Fleming:

Q. Does that include copyright charges, something additional?—A. No, that is artists' and performers' fees.

Q. Performers here are artists?—A. No, not in every case, it depends on the kind of program you are putting on. A great many of these people would be speakers and that sort of thing which is covered in this. It includes all the outside people who take part in the program.

Q. How do you break down the allotment of salaries and other performer fees in respect to the international service? Is all the cost of their service charged to the international service or is part of it chargeable to the C.B.C. organization? How is that done?—A. Our international service is run by the C.B.C. as an agent for the government; but there are, of course, a certain number of members of the staff and expenditures generally which are very carefully charged to the international service.

Q. Is Mr. Delafield's salary charged to the national service?—A. No, he is on the international service.

Q. Is there any case where the services of officials who work for both the international service and the C.B.C. have a proportionate allocation of cost to the respective services?—A. There are some, as the general manager explained the other day, there are some supervising officials and so on.

Q. I am thinking of them.—A. I am on there to some extent, also some of our engineering department officials and other services. We get a lump sum of 5 per cent to cover the overhead supplied by the national service.

Mr. HANSELL: Are the amounts indicated here with respect to the international service paid out of your revenue or are they special grants?

The WITNESS: These are separate items, the money is voted by parliament and accounted for entirely separately.

By Mr. Fleming:

Q. In general how do you set about the preparation of your estimates? We had a statement in other committees of the way in which certain departments go about the preparation of their estimates. For instance, in the Department of External Affairs it was indicated that there is a preliminary sheet of estimates prepared and that goes in the first place to certain officials of the Treasury Board—not to Treasury Board but officials of the Treasury Board—and they go over it and sometimes send back the estimates entirely or in part and then after further review on the part of the department concerned they go forward at a later stage before Treasury Board itself which gives final approval for their

inclusion in the blue book estimates which goes to parliament. What is your method?—A. May I explain how that is done. In the first place, in connection with the overseas service, what we are to broadcast is decided in consultation with the Department of External Affairs. They really have the say as to what countries we shall broadcast as a matter of policy. Then,—take in this year,—our officials on the short wave service will probably put in figures of what they consider necessary to operate these services giving consideration to the amount of transmitter time available and so on; that in turn is discussed and modified by higher officials in the corporation; then it goes before an advisory committee on the short wave service which includes the Department of External Affairs and the Department of Trade and Commerce. That is advisory committee and does not take full responsibility, but they always give it very careful consideration. After they report then it goes to the Treasury Board.

Q. What type of persons comprise that advisory committee?—A. Well, may I put it this way, that there are several officials from the C.B.C., usually headed by the general manager—I also attend when I can—and the supervisor of the service and the liaison man with the department; and then there are several officials from the Department of External Affairs—the Under-Secretary when he can get there and several of his high officials such as the heads of the European division and the Latin American division, and they bring in others according to the agenda; and then there are representatives of the Department of Trade and Commerce and occasionally other departments as their interests appear. This year the procedure was for the officials of Treasury Board to examine the budget. Then arrangements were made for Mr. Bryce of the Treasury Board to meet with the advisory committee—representatives of the C.B.C. as well as representatives from the Department of External Affairs and the Department of Trade and Commerce, to go into the whole thing. It was considered very carefully and after discussion went back to the Treasury Board where it was considered by the Treasury Board as a whole at a meeting at which I and other officials of the C.B.C. were present, and then was finally approved in the form in which it is now before you.

Q. And when these estimates go before the Treasury Board at either stage 1 or stage 2 you are really acting as agents, in a sense, as the C.B.C., for the Department of External Affairs, the Department of Trade and Commerce and other departments concerned?—A. We are for the government. As I say, the others do not take full responsibility because we are the operating agent.

Q. So it is really a matter of policy on the part of the government. The government have the say as to what amount shall be spent on these overseas short wave broadcasts. It would not in the least affect your financial position?—A. No, our position is that of spending the money which the government decides shall be spent on this service.

Q. What check is maintained by the Department of External Affairs on the expenditure of money and on the results obtained? You indicated to the committee the other day, at least some of your officials did, the kind of letter you get, the appreciation responses, from countries to which broadcasts are being sent; what I am getting at is this: to what extent does the Department of External Affairs through normal channels check on these expenditures and the results obtained from them? Are you in a position to answer that, or is that a matter for the Department of External Affairs?—A. I could give you some indication. On the question of expenditure I do not think the department itself would want to answer as to exactly how much money we spend on a particular service for reaching a particular country overseas because we are the responsible agent in that matter. Now, as to the results obtained, I think the department tries to get that information through its own missions abroad and in other ways. In addition to that we receive a lot of direct mail, and we have a lot of responses in terms of audience mail and things of that kind where people express their

appreciation of the work of the service, of our broadcasts and that sort of thing. I think you will agree that it is not an easy thing to attempt to assess the exact value of responses to our broadcasting services, but the results we do get, both ourselves directly and from the department, show that the service is very much appreciated.

Q. What is your method of disbursing these moneys? Do you render monthly accounts, or is it the practice to make this entire vote available to you?—A. We spend the money out of national service funds and our treasurer renders a very accurate audited and supported account, and then we get paid by the government.

Q. Are these monthly accounts?

Mr. BRAMAH: Yes, monthly accounts.

Mr. FLEMING: Are your accounts rendered through the Department of External Affairs or does that come out of the consolidated revenue fund?

Mr. BRAMAH: To the Department of Finance.

The WITNESS: They would go from the board to the Department of National Revenue and I understand the Department of National Revenue would pass them on to the Department of Finance.

(Mr. Maybank resumes the chair.)

Mr. HANSELL: Now, getting back to this item of performers' fees, I wonder if you could tell me what proportion of the programs you send overseas are talks and commentaries, and what proportion are musicals?

The WITNESS: I will ask Mr. Delafield to answer that for you.

Mr. DELAFIELD: I think the best answer I can give you for that is to indicate the relative proportion of time in our overseas transmissions. We cover a great number of languages in the European area. There is practically no entertainment programming in this service. It is primarily to send out information—news commentaries, documentaries, talks, and general explanations of the Canadian way of living and Canadian policy, and so on. Through the Latin American area the service is lightened with entertainment programming because of course we first of all are trying to develop a Latin American audience which at the moment is smaller than our European audiences and we therefore necessarily have to take into account the tastes of Latin American listeners, whereas European listeners on the whole are much more serious and much more interested in serious material.

Mr. HANSELL: I was wondering to what extent music and entertainment went across on the international service. For instance, I understand there is to be a special feature in connection with Dominion Day.

Mr. DELAFIELD: The transmission of music by short wave is not a very satisfactory way of getting it heard by the listener at the other end of the beam. A certain amount of that is done through the transcription service which is primarily related to Canadian music and Canadian problems, and this is done in order to acquaint listeners abroad with the developments in Canadian music and give them a greater knowledge of Canadian cultural matters.

Mr. HANSELL: And you do that?

Mr. DELAFIELD: We do that, yes.

Mr. STEWART: I wonder if you could tell us how many hours a week the B.B.C. use your material, your transcriptions; have you any idea?

Mr. DELAFIELD: Well, the B.B.C. is not perhaps as good an illustration as some of the broadcasting organizations on the Continent because the B.B.C. of course is a very highly developed service and the opportunity for getting our transcriptions on the air through them is relatively limited. There must be other broadcasting organizations over there who make better use of them. I might say that we have made special efforts, particularly in news and

opinions, and we are getting a considerably increasing number of Canadian broadcasts on the air over there, in addition to our news reviews and commentaries; for instance, just a short while ago we put on a special broadcast from Winnipeg about flood conditions, a broadcast by one of our people in Winnipeg. However, in further explanation, I should say that we have more success in the big organizations like the B.B.C. in connection with Canadian anniversaries. We have just recently prepared at their request a program for scheduling on Dominion Day. That program was made by a Canadian symphony organization of all Canadian material and all Canadian music. The discs were shipped over there recently and they have now tried them out and they have told us within the last few days that this is a very interesting program and they are scheduling it on Dominion Day in Great Britain. But generally speaking, the B.B.C. and British audiences are perhaps the hardest market for us to develop on our relay service.

Mr. HANSELL: I had in mind something else. Take, for instance, that program about Dominion Day, that would be one program I think they would appreciate. There you have a good example of Canadian artists who are still in the amateur stage. Would you, for instance, or could you broadcast a program of that type even though by transcription which would give other nations first-hand information of the type of amateurs we have in Canada?

Mr. DELAFIELD: I might say in answer to that that first of all our budget of programming is naturally quite limited. Therefore, the major portion of it is spent in material on information and explanations about Canada. Music programs, of course, by reason of regulation, are quite high. Therefore, we do not do too much music, nor do we do it except to the area where we feel it is going to be of value in creating and stimulating audience response.

At the time, in connection with the development of junior Canadian musicians, we do a great deal for certain areas. We have inaugurated a program called "Evening Recital", which comprises not only more mature musicians and artists, but also from time to time, junior talent, who are the sort of people we have on these programs like "Singing Stars".

Then, of course, there is also the service that we started several years ago of providing an album of Canadian music, done by Canadian performers. In that we have now turned out three. Those are distributed by the Department of External Affairs to their missions abroad as a way of explaining to influential people abroad the state of Canadian music and its development, and we also have, on the other side, of course, material like *Prairie Schooner* and lighter material of that kind, folk song material and so on.

Our music programming is a balanced one; it is not entirely a highbrow one at all.

The CHAIRMAN: I have two questions. They are unrelated. Is there any possibility that you overdid the flood story? I will explain—

Mr. DELAFIELD: I think we might well have done, but from your standpoint, sir, as a resident of Winnipeg, I am happy to tell you that if we did overdo it, it is only to the advantage of the citizens of Winnipeg.

The CHAIRMAN: I am not denying that and I am not criticizing, in any event, but I will tell you this little story. A young Yugoslavian with whom my family are quite familiar—in fact, it is almost a case of adoption of her—received from her stepmother, I think, in Belgrade a letter expressing her—and I quote—"very great sorrow", for the disaster that had befallen us, and she wrote as if she understood that somewhere close to 300,000 people had been completely deprived of homes or any kind of shelter. She seemed to think that we were almost, for the time being at any rate, like a nomadic

tribe and she asked for further information about the loss of life because, I think, she could not visualize such a disaster without a great loss of life.

The young girl herself has had a very difficult experience in being battered from pillar to post all through the war and afterwards, until she got out to Canada, and the stepmother later indicated that at least she would be wandering around in a friendly country now, and so it was not quite as bad as it might have been had she had the same experience over in Europe.

Now, it is in the light of that letter from this very sympathetic woman in Belgrade that I wonder what she has been told.

Mr. DELAFIELD: I would like to state that our reports have been completely factual, sir, and we have also had very interested listeners who have sent money for the Manitoba flood victims. I think when you were on the tour last Monday in our international display there on the seventh floor there was a cheque which had been received from Switzerland. That is typical.

Mr. LANGLOIS: Did you do the same thing with the Rimouski fire?

Mr. DELAFIELD: Yes, we also had letters in connection with the Rimouski fire, and donations.

The CHAIRMAN: I might tell you that I do not know whether it was because of the broadcasts or not, but a group of orphans in Paris sent the first cheques that came to Canada in this connection. There was a cheque for \$15 in connection with the Rimouski fire and one for \$15 in regard to the Manitoba flood, and they came from a group of orphans in whom some Winnipeggers had shown a very considerable interest, and as soon as they heard they sent the money. I do not know how they had so much money in their fund; but at any rate that is what happened. I think probably it was your broadcasts rather than anything else that brought such a response.

That was all I had on that point, but I have another question which I said in the beginning was unrelated. I am thinking more particularly of the Latin-American countries but my point applies to other countries. I should like to know to what extent you get co-operation in this work from all our officials in foreign countries. Do they tell you how your broadcasts are accepted? Do they tell you what you need to put in your broadcasts? Do they tell you how many people are listening, or in general do they act as your agents assisting you in getting the Canadian message over to those foreign parts?

Mr. DELAFIELD: We keep in very close contact with our missions because, as representing Canada abroad, they are our first point of contact in areas in which we have no others.

We also supplement that with direct contact with the broadcasting organizations of the countries concerned. The missions are quite helpful. It is sometimes difficult for them, however, to devote as much time to these requests of ours as they would like, by reason of the fact that they have not got enough information staffs to do this job properly.

The B.B.C. have the same problem—if I may turn for a moment to another broadcasting organization in a similar field—and they often supplement the information they receive from missions abroad through the appointment of representatives of their own in the countries concerned, and this, of course, is much the more ideal system. That, of course, is not possible for us to accomplish in view of the amount of money it requires.

Mr. LANGLOIS: Are they attached to the mission staff?

Mr. DELAFIELD: No, they are entirely independent. One further point in this connection. The international service so far has not been able to do very much in planning to get these people directly concerned, the senior people directly concerned with individual language programming over to the areas to which they are broadcasting. That is something which is part of the process

we are just working out. It is a very important part of our work and I can speak quite definitely about that because last year, last spring, I had the opportunity myself of making the first European survey for international service by visiting five or six of the European countries, going first to London and then to the continent, down to Italy where we had recently inaugurated our Italian program, and back to France and the Netherlands, and I could see myself, from that trip, how extremely important it was to develop personal contacts. You can do a great deal of corresponding, but the actual appearance of an individual representing Canada in a specialized field like this really did a tremendous amount for international service.

Our contacts with Italy and with the other countries have been tremendously improved by a direct contact of that kind.

The CHAIRMAN: Would there be any possibility of getting a representative in a country on a part-time basis at a not very great salary? Could we find a Canadian in Rome, for instance, who would take on this sort of service almost as a hobby? Could you discover such people through the agency, perhaps, of some of our embassy representatives?

Mr. DELAFIELD: Yes, that has certainly been in our minds. There is, if I may say so, a preliminary operation before that takes place and that is, until we can do that sort of thing, the best temporary expedient is to get listeners in various countries who will send us along monthly reports of reception, programming and who will also do publicity for us in getting our own information through, getting press releases in the press, in the local papers and that sort of thing. That is a very important way of developing the audiences.

The CHAIRMAN: Have you thought of sending over members of the Committee? That might be very helpful.

Mr. FLEMING: I volunteer, Mr. Chairman.

The CHAIRMAN: We have one volunteer already.

Mr. HANSELL: Might I ask, Mr. Chairman, if the Department of Trade and Commerce use the international service at all?

Mr. DELAFIELD: We have very close liaison with them. Primarily, of course, for our own interests we meet both the people from External Affairs who are going abroad to missions, to tell them of our work, and also Trade and Commerce representatives who will supplement our operations in explaining Canada and are just as much concerned with the development and preparation of the ground for expansion of Canadian Trade and, more generally, for the creation of good-will. We also have a regular weekly program to South America about Canadian Trade which is prepared in close co-operation with the Department of Trade and Commerce—a weekly survey of business development in Canada and so on.

The CHAIRMAN: Mr. Fleming has a question.

Mr. HANSELL: All I had in mind to amplify my first question was the extension of foreign trade with other countries.

Mr. FLEMING: Mr. Delafield, there is just one question as to the extent to which the Department of External Affairs interests itself in the text of the talks or other program being sent overseas.

Mr. DELAFIELD: We have a weekly bulletin which lists all the talks and material apart from news broadcasts, of course, which go out over the individual language services.

The Department of External Affairs periodically gets scripts submitted to them so that they can make spot checks and there is a liaison set up.

Mr. FLEMING: That would be after the broadcasts had been made?

Mr. DELAFIELD: Yes.

Mr. FLEMING: There is no policy of submitting scripts to the Department of External Affairs before?

Mr. DELAFIELD: No.

Mr. FLEMING: Even on important occasions, or are there important occasions?

Mr. DELAFIELD: There are definitely important occasions.

The WITNESS: I might explain that there is a system of very close daily consultation. We have a liaison officer, Mr. Benson, who is here this morning, who is actually in External Affairs and has a desk and is continually in communication with our office in Montreal by telephone and otherwise.

Mr. FULTON: He is actually on the staff of External Affairs?

The WITNESS: No, on our staff but in their office and at the present time we have a Department of External Affairs representative seconded to our office in Montreal so if there is an important event coming up, there will naturally be consultation about things relating to it.

Mr. LANGLOIS: You are actually receiving suggestions from the Department of External Affairs?

The WITNESS: We are receiving suggestions, and questions are asked every day about things as they come up.

The CHAIRMAN: If that is all under the heading of Performers' Fees, then before moving into Salaries, I would like to read you the draft letter that is going out to Mr. Aldred and may I ask for the comments of the Committee. It reads as follows:

Draft

Mr. Joel ALDRED

Dear Mr. ALDRED:—Your letter of was received this morning and considered by the Radio Committee. It was decided by motion that you be heard.

Would you please, therefore, attend at the Parliament Buildings, Ottawa, to give evidence before the Committee on day, the of June, at o'clock in the afternoon. It would be well if you would report to Mr. Plouffe in Room probably 15 minutes before the time above mentioned.

You must understand that you are not being summoned by the Committee as a witness but that the Committee is agreeing to hear you upon your request. The expense of attendance would be your own.

I feel I should observe to you that you will be expected to answer fully all questions that may be asked even though, for instance, that may involve supplying names of people. The committee would certainly not wish that you should say at any time that, for any reason whatsoever, you decline to answer any question which you can answer. The statements made in this paragraph are made on my own responsibility, because of discussions that occurred in Committee.

Yours truly,

Is that in the opinion of the committee satisfactory?

Agreed.

It remains that I should fill in the date. I presume it will be next Thursday morning at 10.00 a.m.

Mr. STEWART: Why must we delay it so long?

The CHAIRMAN: I have no desire that it shall be delayed but I suggested that because we have been meeting on Thursdays.

Mr. STEWART: Is there any reason why we could not get it cleared up on Monday and then continue with the work of the committee.

Mr. LANGLÔIS: I think in fairness to the witness we should give him a little time. He must have personal arrangements to make.

Mr. STEWART: Let us be fair, by all means.

Mr. FLEMING: If it could be arranged for the witness to appear at the first of the week I would say let us do so and try to finish up our hearings. Time is passing quickly. I think it would be better to leave the setting of the date to the chairman in consultation with members of the steering committee. He might have to work this out by telephone.

The CHAIRMAN: What about this suggestion? When the witness is called we will go right on, after dealing with him, with the remaining business and, according to the way we were speaking yesterday, that will simply involve the Department of Transport.

Mr. FLEMING: Unless the C.B.C. officials wish to say something in reply.

Dr. FRIGON: I think we should have notice too because we would like to have some of our men here.

Mr. FLEMING: I suggest we leave it to you to set the date, in consultation with the steering committee.

Mr. HANSELL: As early as possible.

Mr. STEWART: I am content to leave it to you to get in telephonic communication with Mr. Aldred to find out the earliest possible date that he can be here, subject to the convenience of the C.B.C. officials.

The CHAIRMAN: I have no desire to assume a responsibility that I do not have, but it may be that in order to fix this up it would be better for you just to trust me to do the best I can. It takes a little time to run around and catch each member of the steering committee.

I think that as Mr. Stewart says, it will be better for you just to leave it to me and I will probably fix it up for some hour quite early in the morning—say 5 o'clock or something like that.

Mr. FLEMING: Good.

The CHAIRMAN: All right, I will do that, and also this letter will go after I have talked to the witness on the telephone. The committee stands adjourned until 3 o'clock.

Mr. FLEMING: Why can we not make it 2.30 p.m.?

Agreed.

AFTERNOON SESSION

The committee resumed at 2:30 p.m.

Mr. A. Davidson Dunton, Chairman, Board of Governors of Canadian Broadcasting Corporation recalled:

(Mr. Stewart occupied the chair as Acting Chairman).

The ACTING-CHAIRMAN: Gentlemen, I see a quorum. I think we are on item 2, dealing with "Salaries".

By Mr. Fleming:

Q. With respect to this salaries item, I notice there is an increase of some \$74,000 in this year's estimates as compared with last year's expenditures. How

is that to be accounted for? Is it because of an increase in staff, or an increase in salary rates?—A. The greater part will be for the maintenance staff at the Ford Hotel building. While part will be for the normal increment for staff, amounting to about 5 per cent. There is a considerable amount for the maintenance at the new building.

Q. There was a provision for a 5 per cent increase contained in last year's total, was there not?—A. Roughly that.

Q. That is about \$30,000. And there is another \$45,000 provided here for additional staff at the Ford Hotel?—A. It is about that; and there is also a small amount extra for two or three new positions on the establishment, who will be people doing work now done by outsiders. That will tend to reduce the expenditure on performers' fees.

By Mr. Fulton:

Q. Why is the maintenance staff at the Montreal building charged to the International Service?—A. Because the Radio Canada Building is owned by the International Service, and the maintenance of the building is charged to the International Service while in turn the National Service pays rent. The general manager points out that there is an off-setting item against those salaries as a saving in rental lower down.

Dr. FRIGON: So far there are a number of international services which could not be organized because of lack of office space. Now that we do have the space, some projects which we started originally some years ago will be implemented.

(The chairman of the committee, Mr. Ralph Maybank, resumed the chair.)

The CHAIRMAN: The next item will be?

Mr. KNIGHT: Item No. 2, "Salaries".

The CHAIRMAN: "Salaries and News Services."

By Mr. Knight:

Q. With respect to News Service, I am thinking of a recent occasion when there was a game which lasted until 12:30 or 1 o'clock on a Sunday morning. I had drawn to my attention in my capacity as a member of parliament by two or three people, the fact that they wanted to hear the news as usual in spite of the fact that there was a hockey game going on. I am very partial to games myself and I admit that probably most people are too. But could it not be worked in some way whereby we could get both? There was a lot of chatter and this intermission business.—A. Shall we go on with "International Service", Mr. Chairman?

Mr. FLEMING: It is International Service that we are on.

Mr. KNIGHT: I just saw the words "News Services".

The CHAIRMAN: Yes, news services.

Mr. KNIGHT: Perhaps now that I have put the question on the record a couple of words will answer it?

The CHAIRMAN: I do not think there is any objection to going back into the national service for a moment. I am sure the committee will agree to that; we have always allowed latitude.

Mr. KNIGHT: I have finished.

The WITNESS: I can answer briefly.

Mr. KNIGHT: Is there not some way this thing could be arranged so that the news broadcasts would go on irrespective of what was happening on the air?

The WITNESS: I think Mr. Knight is referring to a Sunday night that most C.B.C. people will remember very well. It was the Sunday after the Saturday

night which had left the Stanley Cup finals 3 all. It meant that an extra game had to be played on the Sunday night and the officials of the C.B.C. were left with the decision of what to do—to carry the last game on Sunday or not to carry it; and we knew that whatever we did we would be very much criticized. We decided on a C.B.C. compromise—to start at 10 o'clock. That was as late as possible to still get what we hoped would be the last period of the game. That meant moving the news back because if we had started the hockey broadcast after the news it would have been too late. We gaily started off with what we were hoping would finish soon but, as Mr. Knight said, the game ran late; the news was late, the speech by Mr. Brockington had to go over until the next week; but on the other hand we had carried the last period of overtime of the championship.

Mr. KNIGHT: This is not a complaint about the incident and I do not want you to consider it as such. It is an uncertainty really in a hockey game—you never know when the puck is going to go in. The point is that the game could go on for hours and hours and I wondered whether there could not be some definite arrangement whereby we would be assured of the news.

Mr. FULTON: You are not suggesting that the C.B.C. should fix a hockey game?

The WITNESS: On Saturday night we have a regular arrangement.

Mr. BUSHNELL: The C.B.C. news was carried on the dominion network at the regular time. That was part of our consideration although we had planned to carry the news immediately following the termination of the hockey game. I remember the night very well; I sweat blood over it because it kept going until twenty minutes past twelve.

Mr. KNIGHT: I realize that it must be quite a problem but I thought it was worth mentioning.

The WITNESS: We do try to keep the news disturbed as little as possible.

Mr. KNIGHT: Your answer is that frankly you can do nothing about it?

The WITNESS: We could have not carried the hockey game but we would have been blasted from one end of the country to the other. As Mr. Bushnell points out there was the regular news at 11 o'clock on the dominion network.

Mr. STEWART: If they had not played overtime you would have been in the clear.

The CHAIRMAN: Before we take up the next section I have been unable to get Mr. Aldred. I am going to take the responsibility for fixing a meeting on Wednesday morning at 10 o'clock and to carry on in the expectation that following Mr. Aldred's presentation we will continue right on with whatever we have to do in the C.B.C. and the radio reference generally.

Mr. FLEMING: Do you not think you could advance that to Tuesday?

The CHAIRMAN: Do you think I might advance it to Tuesday?

Mr. FLEMING: Maybe you had better not.

The WITNESS: I suggest that you might get Mr. Aldred around the C.B.C. offices.

The CHAIRMAN: I tried that, as a matter of fact.

Mr. BUSHNELL: He will be there between three or four o'clock or else he will be losing money.

Mr. FLEMING: Are you still going to try to get him on the telephone?

The CHAIRMAN: Frankly I was just going to name the time.

Mr. STEWART: He will get the letter tomorrow morning.

The CHAIRMAN: I am sending him a letter special delivery and he will have it tomorrow morning. I skipped Tuesday for the reason that he gets the letter

tomorrow morning, he leaves Toronto then on Monday, and I thought it might be a little too short notice. Therefore, I thought I would let him have an additional twenty-four hours before leaving Tuesday night.

Mr. GAUTHIER (*Portneuf*): Is there not any kind of mail delivery there at all?

The CHAIRMAN: Yes, they have mail delivery in Toronto. I will tell you something, speaking with keen remembrance, that I am of the place I come from, and the difficulties we have been experiencing. I made a statement to one of the Toronto papers which perhaps because of modesty they never published, but I said that people in many parts of Canada should get away from even their half joking expressions critical of Toronto because no city in Canada has shown a greater heart in connection with endeavouring to assist the distressed than has Toronto.

Mr. FLEMING: Hear, hear.

Some Hon. MEMBERS: Hear, hear.

Mr. FLEMING: That remark deserves to go down in history.

The CHAIRMAN: Assistance has come very handsomely, and I have even been given the opportunity of expressing the thanks of the people of the Red River Valley to the people of Toronto, and to Mr. MacCallum who represented them and went out there to see the situation. I have often good humouredly ribbed Toronto, but I do it with much more hesitancy now after the experience of the last few weeks. I do not want to get Don Fleming too puffed up about this—

Mr. GAUTHIER (*Portneuf*): You must have had in mind the Toronto *Daily Star* trust fund.

Mr. FLEMING: Is that propaganda?

The CHAIRMAN: Yes. They have all been so very nice; the Toronto *Daily Star*, The *Globe and Mail*; they have given great assistance. The *Telegram* has been into it up to its neck—not the flood.

Well, all right now, we will go on to the next subject. Had you finished with news service?

“Postage and Excise”:

“Printing and Stationery”:

“Rental Accommodation”:

By Mr. Fleming:

Q. Mr. Chairman, we have had some explanation of this item. While there is a reduction contemplated this year as compared to last year still we were told that at the moment the government is not charging the C.B.C. anything for the offices the C.B.C. occupy in the building. Now, is the government going to pay the C.B.C. \$11,000 this year for the occupation of part of this building?—A. No, Mr. Fleming, that is mostly for finishing up the Crescent Street premises.

Q. It has nothing to do with the Ford Hotel?—A. No, it has nothing to do with the Ford Hotel but it does include rental of halls for particular outside programs.

The CHAIRMAN: “Telegrams, Telephones and Teletype”:

“Travelling, Removal Expenses and Duty Entertainment”:

By Mr. Fleming:

Q. I should think something should be said on this. Here we have an item which last year was \$34,868 and the amount indicated this year is

\$55,000; what explanation is there of this increase of over \$20,000?—A. Chiefly the things Mr. Delafield mentioned this morning, that we want to have the supervisors of the different language services visit the countries to which they are broadcasting, to which the service has been developing, but so far it has been practically impossible for them to do so. We are very anxious for that to be done. In addition there is a fair extra amount for the international service people at the Rapallo Conference on short wave broadcasting—on high frequencies.

Q. How many representatives are there at the Rapallo Conference representing Canada? What is the estimate of their expenses?—A. We don't know. We have three representatives representing the international service and their expenses are charged to the international service.

Q. What is the estimate of their expenses at Rapallo?—A. It has been going on now since the 1st of April and it is still going strong. We do not know when it will end.

Q. Can you give us any idea of what you have set up in the estimates for the expenses of attending Rapallo?—A. I do not think there is any special item. It is down here, and it is difficult for us to judge on the basis of experience as to what the cost of attending these international conferences would be. It has not been done in that way before. I am afraid we haven't any definite figure on Rapallo. The item is simply increased so it would take care of eventualities from the Rapallo Conference and on just what we hoped would be the opportunity for supervisors to visit the different areas in which they are interested and concerned.

Q. How many supervisors are you providing for here to make trips to the areas to which they broadcast? Where would they be going?

Mr. DELAFIELD: Primarily of course to the European areas, and I would say our thinking has been not only in the matter of supervisors travelling—it would mean perhaps two or three people in the course of a year—but also the necessity of having coverage at international conferences in Canada, sending various representatives to various sections of these conferences. That sort of thing is increasing in Canada and it is always difficult to set down a definite amount of money to be spent for this particular purpose. As you will see from these figures, there has been a reduction over the previous year's budgetted estimate, and it is always very difficult for us, in the middle of a year, to draw up in advance a budget for the succeeding year when we have not got the costs of our complete operations in that year.

Mr. FLEMING: Is it a fact, Mr. Delafield, that when you made up those estimates of \$55,000 you did not know that your expenditures for the fiscal year ended March 31, 1950 were only going to be \$34,868?

Mr. DELAFIELD: We certainly did not. You see, we prepare our estimates in November of the year preceding the year in which they are coming up.

Mr. FLEMING: You are in the same difficulty as all departments in that respect. I think it is pretty clear that you got all that you found you needed to spend last year. You had provision for one supervisor or a deputy head of a department going abroad. You have got that amount of money to carry on with this year and you are proposing that two or three supervisors be sent to Europe, and three people be sent to this Rapallo Conference. You are not going to need as much as \$55,000.

The WITNESS: As we explained, this would not be the sort of item we would try to spend up to. It was an official estimate at the time of what we thought would be needed. But any travel undertaken would still be very carefully considered.

By Mr. Fleming:

Q. This is not the C.B.C. This is a government item and there is no "skin off the nose" of C.B.C. if that attempt to have money is removed.—A. I would add that this whole budget is going to be extremely tight this year, covering all the operations of the sections, and it would be quite a difficult matter for the officials handling C.B.C. operations to keep within the amount of money and still carry on the services; if they can save any money on something like travelling, it would be very much to the advantage of the service as a whole.

By the Chairman:

Q. May I make this observation: You are getting from parliament a vote of a lump sum of \$1½ million, roughly. That is one vote.—A. Yes.

Q. And that vote is not broken down by the government in the manner which you have set out here. That is right. That is your own break-down made in your own office, to arrive at the figure itself in this total vote.—A. In the estimate books there is this same break-down.

Q. What about this? Suppose that under the head of "Performers' Fees" the amount that is shown in the break-down in front of us is not sufficient. Suppose you have money in the "Travelling and Removal" expenses account, including the entertainment section. You are under no obligation to refrain from taking it from there and applying it under the head of "Performers' Fees"?

Mr. BRAMAH: That is correct, with the permission of the Treasury Board.

The CHAIRMAN: So if you have asked for too much here, there is a possibility that you are a little bit short in some other place. Is that right?

Mr. BRAMAH: That is right.

The CHAIRMAN: And if the whole estimate as you say is probably not any more than you will need, then you will have to rely on asking for too much in one place because of the fact that you have allowed for too little in another place.

Mr. BRAMAH: Yes.

The WITNESS: Some of the items will be very tight, such as performers items. If you can save a little on the others and allow us a little more leeway towards the end of the year, it would help.

By the Chairman:

Q. If we recommend cutting off a certain amount, bearing in mind when we do this item of travel and removal expenses including entertainment, we might actually be cutting something off within the other headings that are mentioned.—A. You would be simply cutting off some of the money from the total amount available for the service which is going to be extremely tight to cover any services scheduled to be carried on this year.

Mr. FLEMING: I approach this item from a little different point of view. It is true that there is some movement under the direction of the Treasury Board from item to item during the year, but I think the function of parliament is to scrutinize each item and to satisfy itself that the item is a reasonable estimate of the expenditure that parliament is prepared to approve.

The CHAIRMAN: That is quite right.

Mr. FLEMING: With respect to these other items, reasons have been given to indicate that these are reasonable and required. There has been no suggestion so far that there is less than is required. But on expenditures in relation to such things as travelling and entertainment we are watching items of that kind rather carefully right now. It seems to me that if the International Service is given for this purpose all the money that it required to spend last year, and is given

something additional to cover the cost of the Rapallo conference, and something to cover the cost of sending two or three people this year as compared with one last year—I mean representatives to the areas abroad—that we will be amply covering all that can be approved of. Therefore, I move that we recommend that the item of \$55,000 be reduced by \$10,000, making it a \$45,000 vote. I think there would still be, in this budget, \$10,000 for this purpose more than there was last year and I think that would amply cover the cost which you put in the evidence respecting the conference and visiting the areas abroad. It is very modest, and I think that would leave you ample leeway without crimping anybody.

The CHAIRMAN: I am, as chairman, in no position to make any motion on this matter. But if I were, I would move that the motion as made be left until we had covered all the items. However, while I cannot make a motion, I think I can accomplish the same result by suggesting now that you leave the decision on the motion until we have covered the remaining items of the break-down.

Mr. FLEMING: I do not know. There might be other similar motions as we go along. I think it would be better to dispose of this motion as we go along, while the discussion is fresh in our minds. There may be other motions before we are finished.

The CHAIRMAN: Why not leave it until you get to \$1,698,400 which is down below? That is all I mean. You will probably get there in a few minutes.

Mr. FLEMING: While I want to be co-operative, Mr. Chairman, I do not quite see the point.

The CHAIRMAN: We may be influenced in reference to this by what is discovered in discussing the additional items which go to make up these estimates.

Mr. FULTON: I recall a similar point coming up in connection with another matter in the House when the same arguments were used with respect to the advisability or otherwise of reducing one detail within an item in the estimates, and by saying: "Do not reduce this. Perhaps we won't spend all we have estimated for and we can spend it on another item." I was not impressed by the argument then and I am not impressed by it now, because I take it that these estimates were prepared as reasonably accurate estimates on the part of the officials, and that the money shown under each heading of the details is the actual amount which will be required. So that being the case, I do not think it is open to the officials to suggest—or open for anyone to suggest for them—that there has been what would constitute a certain amount of carelessness, and that we did not estimate too carefully because we thought what we would lose on the roundabout we would make up on the swings.

I hope that is not the approach of the officials who make up your estimates. I think we are entitled, having approved the details as we go along under certain headings, to assume that they are the best estimates of what they require. And if we come to another item, and it appears that they are asking for more than they need, we can deal with it separately on its merits.

The CHAIRMAN: The motion is certainly in order as it stands now. There is no doubt about it.

Mr. FLEMING: I think we had better dispose of it, Mr. Chairman.

By Mr. Richard (Ottawa East):

Q. Could I ask Mr. Dunton how much more than \$34,000 would it cost to send two or three supervisors to the Rapallo conference? What would be the estimate? I think Mr. Fleming made an estimate of \$10,000. Would it be much more than \$10,000?—A. I would not think so.

Q. It would not be much more than \$10,000?—A. No, not just for this. I would like, to point out that we are now dealing not with ordinary government.

administration but with a broadcasting activity, and that a great part of this item is travelling expenses which are related to programming. You may have an alternative in programming either by getting a person from another city to do a certain piece of work, or sending your own personnel with a crew to do it. In one case the cost of the expenditure would come under "travel", while in the other case it would come under "performers fees". That is the way we have to list them on this break-down according to the rules of the Treasury Board. Nevertheless it is still essentially a programming expenditure. So I still suggest that cutting an item off is reducing the amount that the service has to carry out its job in the year. It won't simply be reducing travelling, because if we are going to be sure of keeping within that item there is an alternative way of getting the same thing done, either by sending a man of our own or having it done in another way.

Mr. BUSHNELL: You can take that item and cut it down by any figure you can pull out of the air and we could still get along. But you will be reducing the effectiveness of the service very much. For example, take the International Trade Fair in Toronto. To cover that adequately it would cost us probably \$2,000 in travelling expenses. But if anybody wants us to miss the Trade Fair, surely we can miss it. We had an estimate of \$60,000 because we were prudent last year, why should we be pared down to \$45,000 this year?

Mr. FLEMING: No. You are not being pared down. You are being pared up to \$45,000 from \$34,868 last year. Did not the C.B.C. cover the Trade Fair a year ago?

Mr. BUSHNELL: We covered it. But we want to cover it this year with more people. This question of travelling is a very contentious one. We can do as little or as much as you like on it. We have foreign language people who come to us from other countries. If they are going to become intimate with the affairs of this country, they have to be sent across this country once or twice. It is not just a question of sending one or two people to Rapallo or to Europe.

Mr. LANGLOIS: Since part of the expenditure is for production of programs, therefore you will be reimbursed, will you not, through the proceeds of such programs when they are sold?

Mr. BUSHNELL: They are not sold on the international network.

By Mr. Fulton:

Q. Let us compare this with last year's estimates. You will find that you estimated \$1,781,850 for the year by way of expenditures but you only spent actually \$1,546,393. And if you are asking for \$150,000 in excess of what you spent last year, I do not see that it is open to you to argue that because one detail is reduced by \$10,000 we are jeopardizing the efficiency or the scope of the activities that you could undertake.—A. In the first place, the amount of last year's estimates was underspent for several reasons. To begin with, additional services had been planned and envisaged, under consultation with the Department of External Affairs. Secondly, there were positions needed for the better rounding out of the services being carried on, but it simply was not possible to fill them during the year because there was not office space for the people to work in. At the end of the year when space would become available we learned that the estimates would be cut willy-nilly in the coming year, so neither of these extra services have been added, nor have the people been taken on whom we consider necessary to carry on these services specifically. That is why the budget for the coming year is the lowest amount with which we think we could carry on without cutting out any service. To reduce it further would mean dropping a complete service such as the Scandinavian or the Latin service.

The actual vote is \$1,598,400 which in fact is very little more than was spent last year. That vote includes operating expenses of the Ford Hotel less

the estimated amount of rental going to the Ford Hotel. The vote is \$1,598,400 which is a little over the previous year. But in the meantime rates have gone up and in fact we shall have difficulty with less available funds in the present year than last year. It will be decidedly difficult. It will need extremely careful watching as well as the paring down of some services which are now going on below what was being done last year.

Q. The effect of what you said is that you have one or two small increases here over what you spent last year, but you are asking in fact for more travelling expenses than you will probably require in the hope that the excess from that item will be available to you for other purposes in the service. I suggest to you that if you want extra money for other services, you should not ask for it in that way.—A. We did not ask for it. I do not think that is what was said.

These estimates have to be made up months beforehand. Travelling is not a thing which you can itemize in advance. We are trying to keep it down all the time, only allowing for trips which are considered to be really essential. When we made that estimate there was no idea that the travelling could be kept down to only \$35,000 last year. Perhaps as it looks now they might have cut off a little more. If we can save a little there, we shall be extremely short on some of the other items, some of which are really alternative methods to travelling on the programming side.

By Mr. Langlois:

Q. Would these expenditures include such items as those in connection with the reporting of the Winnipeg Flood and the Rimouski fire?—A. Certainly, for the international service. The great bulk of this is for programming expenditures. We are trying to project all of Canada to the people outside Canada.

Q. You cannot predict when these events may take place so you have to provide a cushion for them?—A. Certainly.

By Mr. Hansell:

Q. I do not know that I agree with some members on the committee on this particular subject that is being discussed. While the expenditures were \$1,546,393 last year, we are asking this year for an additional amount which it might be pointed out is less than the amount they asked for last year.

The CHAIRMAN: Oh, yes.

Mr. HANSELL: And in that respect I think the estimates asked for this year seem to be quite fair and reasonable. Many of the individual items might exceed what was spent last year, but they are less than they expected they would spend last year and less than was voted for them to spend last year.

Dr. FRIGON: I suggest that we probably made a mistake in not spending the full amount of the vote last year.

Mr. HANSELL: After all, Dr. Frigon's argument is more or less a reasonable one. The thing is that the department is going to be governed by the amount they spend not by the amount they require. It has a psychological effect right away; and they will say: "We had better spend it, or we shall not get as much next year".

By Mr. Knight:

Q. I think the fact that they did not spend the total vote last year is a very good argument with respect to the judgment of the estimate of what they are going to spend this year. I would be opposed to the motion. I think we are justified in giving it to them.—A. In the previous year, 1948-49, it was \$45,000 and then it dropped to \$30,000.

Mr. HANSELL: Might I ask a question for the purpose of the record, which might have been asked before in other committees? We were discussing a little

while ago the fact that instead of using funds estimated for one item, they could use them for another item provided that they got the approval of the Treasury Board.

The CHAIRMAN: Yes.

By Mr. Hansell:

Q. Would the same thing follow if you were short on your total amount, let us say, in vote 267? Could the Treasury Board then give you authority to spend money from Vote No. 268?—A. No, that cannot be done. There cannot be a switch between votes.

Mr. FLEMING: Because that comes under the Appropriation Act while the details do not.

Mr. HANSELL: I thought it might be well to have it on the record of this committee because it simply means that they cannot spend any more than the actual total vote of the item.

The CHAIRMAN: That is right.

Mr. HANSELL: Even though they spend it for something else within that item.

The CHAIRMAN: That is right.

Mr. HANSELL: So we are not giving them authority to spend money that they do not already have the authority to spend?

The CHAIRMAN: You have heard the motion. Are you ready for the question?

Mr. KENT: What is the motion, Mr. Chairman? I was not here.

The CHAIRMAN: The motion deals with the item of "Travelling and removal expenditures and duty entertainments". It is set down at \$55,000 on this breakdown. Mr. Fleming has moved that we recommend that this item be reduced by \$10,000.

Mr. FLEMING: Question?

The CHAIRMAN: Question, all those in favour? Down hands. All those opposed, if any? I declare the motion lost.

Mr. SMITH (*Calgary West*): I did not vote because I did not hear the discussion.

Mr. LANGLOIS: Were you paired?

Mr. SMITH (*Calgary West*): This time I was not.

The CHAIRMAN: The next item is "General Operating Overhead".

By Mr. Fleming:

Q. Could we have a statement as to the increase of \$36,000 over last year's expenditure?—A. I shall ask the treasurer to give it to you.

Mr. BRAMAH: Do you want a break-down of the \$138,000 or do you want to know why \$36,145 additional is estimated?

Mr. FLEMING: Yes.

Mr. BRAMAH: Several adjustments are necessary by reason of the operation of services at the Radio-Canada Building on a full year's basis. This relates particularly to fuel, and a reduction in the item regarding blanks and tapes which is brought about by reason of the anticipated increase in the use of magnetic tapes which are reusable, in place of discs.

Mr. DELAFIELD: There is the difference in the amount of about \$7,500.

Mr. FLEMING: No, it was \$36,000 for last year's expenditures. I don't pay much attention to last year's estimates, but rather to expenditures using them as a basis of comparison.

Mr. DELAFIELD: Well, primarily, it is occupancy of the new building, the Radio Canada Building—heating, lighting and so on—and that accounts for the increase in this total amount.

Mr. FLEMING: How much would you say it would be?

Mr. DELAFIELD: \$13,000.

Mr. FLEMING: \$13,000 of \$36,000?

Mr. DELAFIELD: Yes, out of \$36,000; \$3,000 extra insurance; \$3,000 extra for audience research—that is new service developed for the purpose of assessing reception of programs, a valuation of the type of things we are doing. That is a very important thing about which we have done very little to date. Now, under miscellaneous item you have this breakdown.

Mr. FLEMING: Were we supplied with that?

Mr. DELAFIELD: That is headed International Service, General Operating Overhead. I think you were supplied with that.

The CHAIRMAN: Yes, that has been given to the committee. I do not know where my copy is at the moment.

Mr. DELAFIELD: The audience research figure would be \$9,000 instead of \$3,000. Then there is an increase in the item for periodicals and magazines by reason of the fact that the reference library has not become the reference library for the whole of the building and all of the services within it which includes both the national and international. Then there is the item of \$5,000 for professional fees for translations and that sort of thing and the N.B.C. services where we cannot get adequate people to join the staff; I mean, people who are sufficiently qualified to count as full staff members until such time as we can allocate people we have to provide funds to do this work by free lance assignments. Then there is \$3,500 extra freight. I think that is about all, Mr. Chairman.

The CHAIRMAN: All right. Any more questions under that heading?

“Transmission Lines”:

Mr. HANSELL: I would like to ask about what transmission lines are required for the international service?

Mr. DELAFIELD: This item is not the Montreal line but it is the pickups from various points in the country for material for our Canadian Chronicle which is for “Canadian News Round-up” coming out four times a day in the different areas. It also picks up items for the different language programs. Instead of concentrating the whole of our program operation in Montreal we get out across the country and try to arrange in advance to get people into the studios at various points across the country to do the items for this international service in the various languages; for instance, program material from new settlers, reports of particular incidents in a locality in one particular language and things like that, which gives to our program service a complete picture of the type of thing which is happening across the country. It is not just the dissemination of programs about Montreal, or conditions in Montreal, Toronto or Ottawa.

Mr. LANGLOIS: They are connecting lines.

Mr. DELAFIELD: That is right.

Mr. LANGLOIS: You must be saving quite a bit of expense by doing that.

Mr. DELAFIELD: That is exactly it, sir.

The CHAIRMAN: The next item is \$40,000 for power.

Mr. DELAFIELD: That is the Radio Canada Building which the international service is maintaining and operating for all the services that are in it, so by taking that over we found ourselves looking after all the services and therefore needing extra funds to provide power that is required for the whole building.

The CHAIRMAN: "Tubes and Maintenance":

Mr. FLEMING: I suppose, Mr. Delafield, that applies to the increase on account of the Radio Canada Building also?

Mr. DELAFIELD: That is right.

The CHAIRMAN: "Montreal-Sackville Line":

Mr. DELAFIELD: That is a contract arrangement. The requirement for the year. That is our advance analysis of what is going to be required because while we have a basic contract for a certain number of hours a day there are on occasions extra relayed programs that have to be put in which are paid for on a flat rate as occasion arises. This amount of \$47,000 is higher than it was last year, but on the other hand it is lower than the amount asked for in the previous year.

The CHAIRMAN: The next one is "Improvements to Leased Properties": You were voted \$5,000 last year and practically did not spend anything and now it is back there again. I presume that is because you did not spend it and you still want it.

Mr. DELAFIELD: That is the reserve which is required for any necessary renovations that have to be made, like property, the building we are now turning back at Crescent Street on which we made certain repairs and alterations and we have to remove them and turn the building back in the condition in which we got it.

The CHAIRMAN: You have a record of all the changes there which took place and all you spent was \$67. I suppose you must have expended more than that at some time or other?

Mr. DELAFIELD: Oh yes.

The CHAIRMAN: And that \$5,000 is probably spent now by reason of the terms of your lease.

Mr. DELAFIELD: The move from that point took place in the past fiscal year; I mean, the move from Crescent Street took place in the last fiscal year because it was not until the 1st of May I think it was when we finally moved the studios down to the new building.

The CHAIRMAN: It seems to me that when you were before parliament the last time you thought you needed this amount as a requirement in connection with your lease, is that correct?

Mr. DELAFIELD: Yes.

The CHAIRMAN: That it would cost you \$5,000, but as a result of the lapse of time you think it is going to cost you \$5,067; is that right?

Mr. DELAFIELD: Yes.

The CHAIRMAN: The next item is "Supervision Charges":

Mr. HANSELL: Does this item include part of the salaries of some of your senior officials?

The WITNESS: This item, Mr. Hansell, is the amount charged to the international service and paid by the national service to cover the work of officials who are on the national service. A part of their salaries is chargeable to activities connected with the supervision of the international service; such as Dr. Frigon, the head of the engineering department, the treasury department and so on.

The CHAIRMAN: This includes also salaries for part-time service?

The WITNESS: Yes, and general services which the national service provides for the international service.

Mr. FLEMING: You are prorating the management cost here on a cost accounting basis?

The WITNESS: On a sort of management fee basis of 5 per cent for which we provide supervision and services such as accounting and so on.

Mr. KNIGHT: If this item were not here would it have to appear in your salaries item at all; simply have the salaries broken into the different operating items—

The WITNESS: You would have to have a very complicated accounting procedure to do it that way. You would get into all sorts of difficulties.

Mr. KNIGHT: That is what I wanted to get at. Are these regular salaries, or extra amounts which they are paid for work which they perform for the international service?

The WITNESS: They are salaries of people on the national service establishment. They are paid by the national service for their supervising activities and to the extent that their services apply to the other unit they are taken care as a charge for overhead.

The CHAIRMAN: Dr. Frigon, for example, is loaned to a certain extent to the international service.

Mr. KNIGHT: What portion of his salary is paid by the international service?

The WITNESS: It is paid back to the national service by them.

Mr. FLEMING: Dr. Frigon does not get any more out of it; it is just a matter of crediting the national service for services rendered to the international service.

The CHAIRMAN: It is a sort of prorating.

Mr. FLEMING: We had that item yesterday in overhead.

The WITNESS: It is included in our income and expense sheet under international revenue.

Dr. FRIGON: May I say with respect to that, that normally the fee would be 10 per cent, which is the regular charge made to agencies for work of this kind. We made representations to that effect but Treasury Board agreed that we could charge 5 per cent so we did. We charged 5 per cent of the amount of the salary of the chairman, various senior officials including myself, the treasurer's salary, and so on to overhead—anything which is chargeable directly to the international is charged to the international; but with regard to any overhead which cannot be separated from the rest of it that is covered by the 5 per cent fee.

The CHAIRMAN: Are you prepared to conclude that item of \$1,698,400?

Mr. BRAMAH: For that item the net item there is \$1,598,400.

The CHAIRMAN: Yes.

Mr. FLEMING: That is the way it appears in the blue book volume of the estimates, \$1,598,400.

The CHAIRMAN: Then we will pass on to the next item.

Mr. HANSELL: Just one general question now. Do you consider that with the amount this year the same as last year as to the international service fund you will be able to give the same service this year?

The WITNESS: For the fiscal year 1949/50, which ended last March, we did not spend as much as we spent in this previous year of 1948/49, but in this present year we will be trying to carry on with the same amount for operating as last year and without any increase because of salary increments and so on. We will in fact have to pare down some of the services. We will not have to cut out any of the services but we will have to pare them down, to operate some of them with less people than we consider necessary for good operation.

Mr. LANGLOIS: Will that mean that your employees will have to do more work for the same money, that they will have to work longer hours or something of that kind.

The WITNESS: The result will be that we will have to try and get along with the staff we have. We may have to cut some of the services instead of giving a better service as we would like to do.

Mr. HANSELL: Well then, that is going to affect the quality of the international service.

The WITNESS: I think the service will be less effective this year than if we were given more money, and in addition we would not be able to add new services for this amount of money. It will not be as effective as if we had had one or two hundred thousand dollars more. Some of the programs of the service simply cannot be as good.

The CHAIRMAN: Then comes the last item here, \$1,043,961 for "Acquisition and Alterations: Equipment, Land and Structures—Supervision Charges"—and there is a note there "revote of prior year appropriations required to cover outstanding expenditures and commitments at the 31st of March, 1949 and 1950 respectively."

Mr. FLEMING: I do not follow the statement details on that at all. Page 36 of the printed blue book volume of the estimates, item 268—"Acquisition and Alterations: Equipment, Land and Structures, including Supervision," \$105,000; then, in the detail on page 203 there are just two items: Equipment, Land and Structures \$100,000, and Supervision, \$5,000, making a total of \$105,000. These figures do not correspond at all to the figures we have in the third column of the statement in front of us. This year equipment, land and structures is \$385,000 and the supervision charge is \$19,285; and then the two together make a different item—is there some explanation for that?

The WITNESS: May I explain that, Mr. Chairman; the treasurer in order to try to give you a complete picture added into these the amounts which are to appear in the supplementaries.

Mr. FLEMING: That is still to be brought into the House?

The WITNESS: Yes. Perhaps I could get Mr. Fleming a reconciliation. If you take the \$385,715—

The CHAIRMAN: We are now dealing with vote 268 which is for \$105,000.

The WITNESS: Shall we deal with the item as it appears?

The CHAIRMAN: I would like to point out to you, Mr. Dunton, and to all members of the committee that we have of course no authority to consider estimates at all unless and until there is a special reference to us referring them to us. Regarding this item in the estimates for \$105,000, we have no authority to deal with your report upon anything at all except this \$105,000. We could, if you wish it, add a postscript to whatever report we put in, and say that we had received notice from the C.B.C. that they want a whole lot more money than this, but that is all we could do.

The WITNESS: This is simply put in by the treasurer not as a submission to the committee but simply in an effort to give you a complete break-down. I can reconcile it back to the item as it appears in the estimates if you would like me to explain that.

The CHAIRMAN: Well, I suppose that might help a little.

The WITNESS: There is an item of \$65,000 charged in there to the Radio Canada Building project, but it actually covers an emergency amount necessary in the last fiscal year to replace some wooden poles at the Sackville establishment which were found to be rotten. That was an emergency which arose during the last fiscal year and had to be met quickly and the Treasury Board authorized our taking this \$65,000 out of the Ford building account in order to meet that emergency so that really that \$65,000 item there is to replace the wooden poles at Sackville with new steel towers. Then there is also in that

\$25,000 for recording equipment at Montreal which is needed for making these transcriptions that we were speaking about which are being used in the United States and other countries. This will enable us to make our own recordings and effect considerable savings in future years. Then there is \$10,000 miscellaneous, and that is all part of that figure of \$105,000. Then there is also in those two totals an amount of \$300,000 odd which the general manager explained yesterday would be necessary for the Ford Hotel. Then there is the figure of \$638,961. That is simply a revote of money voted before for the Ford Hotel property and not actually paid out. It represents no additional expenditure.

Mr. FLEMING: I do not recall a specific reference to \$300,000; could you say a word about that, Dr. Frigon?

Dr. FRIGON: That arises out of the fact that our estimates were too low on some of the work that had to be done.

Mr. FLEMING: Was that on the renovation of the building?

Dr. FRIGON: Yes, but we would prefer to call it the transformation of the building.

Mr. FLEMING: We might call it a metamorphosis, or something like that.

The CHAIRMAN: Is that everything on that?

Well then, gentlemen, all that remains is for us to pass the formal motion with respect to these estimates.

Mr. LANGLOIS: I would move that motion, Mr. Chairman.

The CHAIRMAN: Shall the motion carry?

Mr. FLEMING: On division.

The CHAIRMAN: The motion is carried.

Now, gentlemen, it was understood that we would not go ahead with anything further on the C.B.C. today so we have reached the point of adjournment until 10 o'clock on Wednesday next unless you are called earlier.

The committee adjourned.

SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

WEDNESDAY, JUNE 14, 1950

WITNESSES:

Mr. Joel Aldred of Toronto, Ontario; A. Davidson Dunton, Chairman of the Board of Governors and Augustin Frigon, Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1950

SPECIAL COMMITTEE

on

RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspe*), Esq.

Messrs.

Balcer	Gauthier (<i>Sudbury</i>)	Robinson
Boisvert	Hansell	Riley
Cote (<i>St. Jean-Iberville-Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary West</i>)
Diefenbaker	Kirk (<i>Antigonish-Guysborough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE

REPORT TO THE HOUSE

13th June, 1950

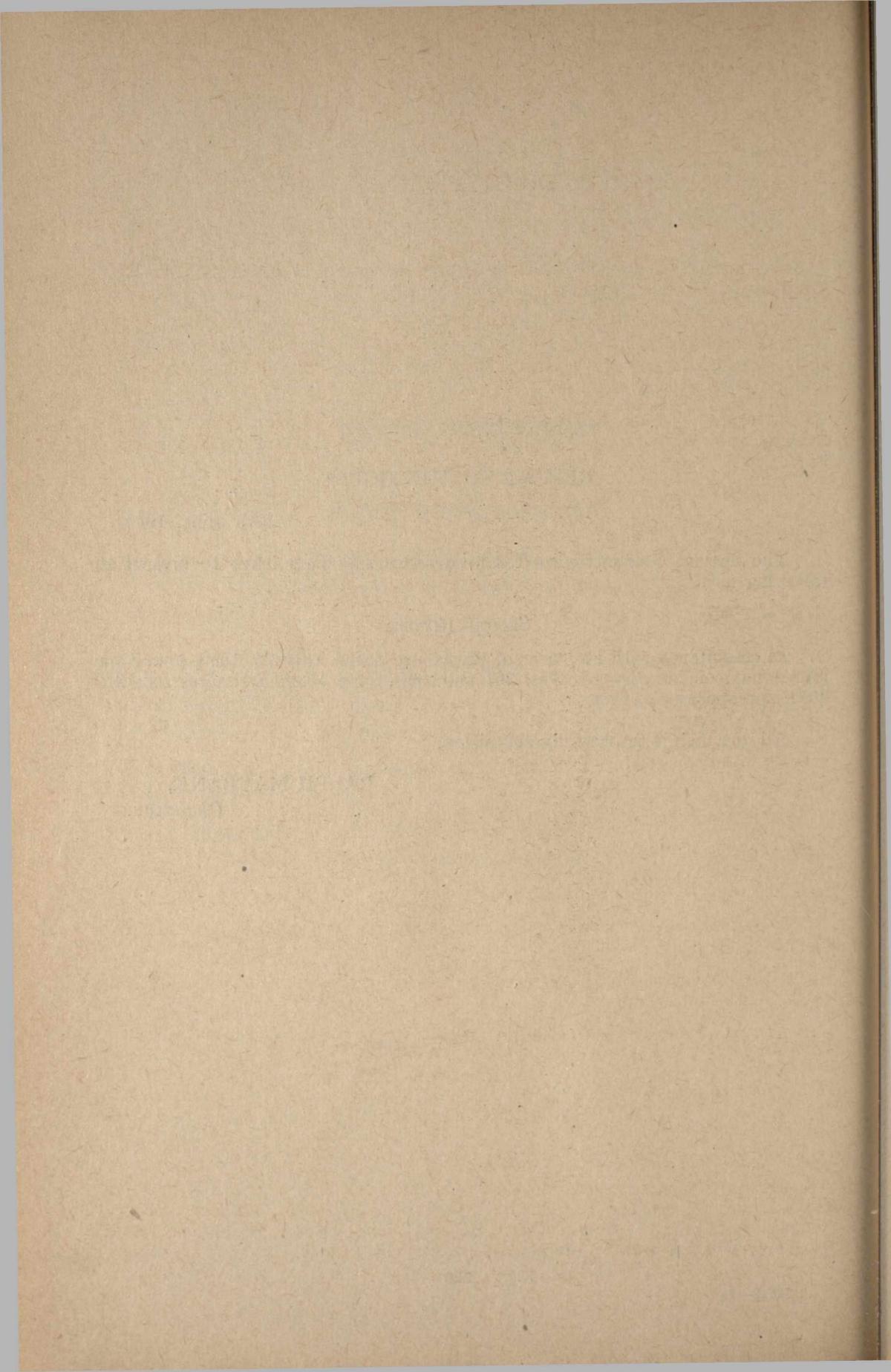
The Special Committee on Radio Broadcasting begs leave to present the following as a

SECOND REPORT

In compliance with an Order of the House dated May 25, 1950, your Committee has considered votes Nos. 267 and 268 of the Main Estimates for 1950-1951, and approves of them.

All of which is respectfully submitted.

RALPH MAYBANK,
Chairman.



MINUTES OF PROCEEDINGS

WEDNESDAY, June 14, 1950.

The Special Committee on Radio Broadcasting met at 10.00 a.m. Mr. Ralph Maybank, Chairman, presided.

Present: Messrs. Boisvert, Decore, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Langlois (*Gaspé*), Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Robinson, Riley, Smith (*Moose Mountain*), Stewart (*Winnipeg North*). (17).

From the *Canadian Broadcasting Corporation*: Messrs. Dunton, Frigon, Bushnell, Landry, Bramah, Jennings, Young, Palmer, Richardson, Fraser and J. Kannawin.

From *The Department of Transport*: Messrs. Browne and Caton.

Also Messrs. Shaw and Weir, M.P.

A request of Mr. Benidickson to appear before the Committee on the question of coverage was granted and the date left to the Chairman.

The Chairman referred to a copy of a letter to Mr. Dunton by Mr. Thomas A. Dutton of the American Stockholders Union of Toronto. He also referred to mimeographed copies of the correspondence exchanged between himself and Mr. Joel Aldred of Toronto, which were distributed in advance to the members of the Committee.

Pursuant to the Committee's decision, Mr. Aldred was called.

After debate on procedure, the Committee commenced its examination of the witness.

At 11 a.m., the proceedings were suspended until 11.40 a.m.

On resuming, the witness refused to divulge names of employees who supplied him with information. Thereupon, the Chairman quoted again from Mr. Aldred's letter of June 7 and his reply of June 9, 1950.

The Chairman ruled that unless the witness answer questions, he should be dismissed forthwith.

After further debate, the Chairman instructed the witness to prepare a list of the names in question.

At 1.00 o'clock p.m., the Committee adjourned till 2.30 p.m. this day.

AFTERNOON SESSION

The Committee resumed at 2.30 p.m., Mr. Maybank presiding.

Present: Messrs. Boisvert, Decore, Fleming, Fulton, Gauthier (*Portneuf*), Gauthier (*Sudbury*), Hansell, Henry, Kent, Langlois (*Gaspé*), Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Riley, Smith (*Moose Mountain*), Smith (*Calgary West*), Stewart (*Winnipeg North*). (17).

In attendance: Same as morning.

After a further discussion on procedure, Mr. Aldred's examination was concluded.

The witness gave the list of names of the C.B.C. staff in Toronto to which he referred before adjournment and which Mr. Riley requested.

The witness was retired.

The Committee resumed at 3.55, after a suspension of ten minutes.

Messrs. Dunton and Frigon were jointly examined on Mr. Aldred's evidence. They were assisted by Messrs. Landry, Bushnell and Kannawin.

At 5.15 p.m. the Committee adjourned till Thursday at 11.30 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

HOUSE OF COMMONS,
WEDNESDAY, June 14, 1950.

The Special Committee appointed to inquire into Radio Broadcasting met at 10 a.m. Mr. Ralph Maybank, the Chairman, presided.

The CHAIRMAN: Gentlemen, I see a quorum. I have a note in front of me with the name Benidickson written on it. Mr. Benidickson came to me and asked to be allowed to appear before the committee to present information to it about coverage or, as he would say, lack of coverage, on certain parts of the very large territory that he represents; it is rather an old story and a sore point with him and he asked permission to come before us. I told him I felt sure that it would be arranged but that, of course, it was not up to me to say. Would it be your view that we should call him? He could not come today; he had to go to a funeral at Arnprior, he told me.

Mr. FLEMING: Mr. Chairman, I certainly think Mr. Benidickson should be heard before the committee. That is what we are here for.

The CHAIRMAN: Are you agreeable that the chairman arrange to have Mr. Benidickson appear before us?

Agreed.

I have sent to each of you a copy of the correspondence that passed, on your instructions, between me and Mr. Aldred. The first business this morning is to hear Mr. Aldred, who came pursuant to the last letter, the second letter I wrote to him. I understand Mr. Aldred is present.

Mr. ALDRED: Yes, sir, that is right.

The CHAIRMAN: Unless someone else has some other idea, we will proceed with that business now.

Mr. Aldred, would you come around here and sit beside me on the right hand side? You cannot sit on the left because it is occupied.

Mr. Joel Aldred, called:

The CHAIRMAN: Make yourself at home, Mr. Aldred. You will not at any time have to stand and if you feel like smoking, do it, and if you feel like taking off your coat, you can do that too.

Mr. FLEMING: Literally or figuratively?

The CHAIRMAN: I do not know, Mr. Aldred, whether you have a copy of the correspondence that has passed between us but just for your convenience there it is mimeographed as each member of the committee has it. Now, gentlemen, have you any views as to the proceedings here? Mr. Aldred comes without any brief to read or anything of that sort.

Mr. RICHARD: Mr. Chairman, Mr. Aldred, as I understand—I have not looked through those letters—made certain allegations in a letter subsequent to one you wrote to him stating there were certain improvements to be made or certain charges about waste or inefficiency etc. I think that the witness could proceed by categorizing the items alleged in his letter and we could dispose of

each category of allegations he made, or charges, whichever you like to call them, and we could question him after he has made his statement on each charge.

Mr. FLEMING: Mr. Chairman, I presume the witness has in mind some kind of statement. Does this statement lend itself to be broken up in that way or would the witness prefer to make a complete statement and then submit to examination on this?

The CHAIRMAN: Well, I think we will have to decide ourselves, Mr. Fleming, on this. The witness has not supplied us with any brief excepting what appears in the correspondence. I think probably we will find that everything will emerge that is necessary if perhaps by question and answer from the chair we could go into it that way; that does not preclude anybody else, of course. Would that be agreeable?

Mr. MURRAY: I think, to speed up the activities, the chairman should proceed to examine the witness and get the essential facts before the committee as soon as possible so that we can be on our way.

Mr. GAUTHIER (*Portneuf*): Why do you not follow the order set out by Mr. Aldred himself in one of the paragraphs of his letter of June 7th, dealing with wage rates, staff turnover, over-staffing, technical inadequacies, program imbalance, TV. We could follow this order.

The CHAIRMAN: I will tell you, I will start in asking some questions and we will see where we go from there. Mr. Aldred, you indicate in your letter that—

Mr. MURRAY: Mr. Chairman, we would like to know who Mr. Aldred is, his place of residence, his age, his employment, his former employment and something of the background of Mr. Aldred before going along with the direct evidence touching upon this matter.

The CHAIRMAN: I think it will be necessary for the committee to make up its mind as to how the questions should proceed; either one person may do it or we will all do it. Would you care to ask some questions, Mr. Murray?

Mr. MURRAY: No, but I think the chairman—

The CHAIRMAN: If you do not care to ask questions yourself then do not have me asking them piecemeal.

Mr. MURRAY: The point is we would like to know who the witness is—I mean, as a matter of legal record—so that we would have an idea as to the proper questions.

The CHAIRMAN: Well, you will have to make up your mind whether you want me to ask questions or whether you do not?

Mr. GAUTHIER (*Sudbury*): Proceed, Mr. Chairman, and if we find the chairman is not questioning properly we will step in.

Mr. GAUTHIER (*Portneuf*): You start, Mr. Chairman.

By the Chairman:

Q. Well, Mr. Aldred, you indicated in your letter that you had been in the employ of the C.B.C. from November 1945 to May 1949?—A. Yes, that is correct.

Q. Had you done any radio work before that?—A. None at all.

Q. Am I right in saying that your experience in life is that you finished school and went to work at something which was not radio work and then enlisted and were overseas for quite a considerable time, I should think, about six years?—A. No, that is wrong. I was in the services for six years. I was overseas on operations for about one and a half years.

Q. I see, and consequently before you began radio work you had some experience which was not radio, and war experience, and then came back and went into radio in November 1945?—A. That is correct.

Q. That is your background?—A. That is correct.

Q. And your age is?—A. 29.

Q. When you went into radio work you went in as an announcer, is that right?—A. That is correct.

Q. And did you remain at that from that time until now?—A. That is correct except that since my forced departure from the C.B.C. a year ago last April, I have broadened out in several other fields such as industrial motion pictures and script writing and so on which is outside the field of radio. However, I have still maintained practically all of the commercial programs that I had over C.B.C. facilities during the time that I was with the C.B.C. announce staff.

Mr. HANSELL: Mr. Chairman, may we interject with questions at all?

The CHAIRMAN: I think it might be better if you save them up, Mr. Hansell, until we get a sort of a foundation here.

Q. And then, Mr. Aldred, you quit working for the C.B.C. in May 1949?—A. I would correct that at the moment. I was fired from the C.B.C.

Q. Is that any different from quitting the work?—A. The thing I would like to bring up here which has been a matter of some concern to me and which upsets me even at the moment is this, and I am quoting the *Globe and Mail* of last Saturday morning in which once again it was alleged by somebody here, I do not know who it was, that I was dismissed from the C.B.C. because of disloyalty to the C.B.C.

Q. Well, just a moment, Mr. Aldred. We are not now concerned with the reasons for your dismissal. I was only asking you to detail the course of your life. I might add, of course, subject to further consideration and argument. I suppose, if there is argument, that you have not been brought here to go into the question of the reasons for your dismissal but rather to give evidence on those matters which you indicated to the committee you desire to speak about. So, at any rate, you say you were fired and you answered that to me when I said you quit or you stopped your work for them. The main thing is that the answer, I presume, to my question is yes, that you did stop work for the C.B.C. in May 1949?—A. That is right.

Q. Now, then, in your first letter, you stated, and I think this is a fair statement, is it not, that there was a great deal of wastage in the C.B.C.?—A. That is quite right.

Q. Your statement is not made in the words that I have used but I think it would be fair to say that that is your statement; that there is a good deal of wastage, is that right?—A. That is correct.

Q. Will you detail the wastage that you have in mind?—A. Well, the wastage I have in mind involves a number of interlocking things. First of all, during the period of time that I was with the C.B.C. particularly during the latter part of my time with the C.B.C. I was on the executive of the staff council in Toronto which is a group of employees which supposedly takes employee problems and suggestions and ideas to management in order that these differences such as they may be can be reconciled in some manner.

Q. Has that staff council a chairman?—A. That is quite correct.

Q. Who was that chairman at the time you have in mind at the present time?—A. A woman, Miss James.

Q. Is she still the chairwoman?—A. No, I do not believe so. The chairman changes every year.

Q. Excuse me; just continue.—A. During that time and the time that I was on the staff council and for a short period before that I had brought up to the staff council certain ideas that I had in my mind and that were in the minds of other employees regarding C.B.C. operations. Now, when I say that there has been wastage in the operation of the C.B.C. I think that and I am speaking as a

person now who is involved in the radio industry, and I am speaking as a citizen. The wastage to me which mounts up dollarwise takes place in a number of ways and has taken place in a number of ways.

First of all, during the period that I was on staff council and just prior to that time, there was a great deal of concern on staff council executive about the high degree of staff turnover within the C.B.C. Now, what the staff turnover within the administrative branch of the C.B.C., which is in Toronto, which is the only centre I can talk about, is at present, I do not know, but I do know from staff council knowledge that throughout a certain period of time since the end of the war staff turnover in Toronto has approximated 30 per cent.

Q. At a later time in your correspondence you do deal with the question of staff turnover, but it is in connection with staff turnover that you use the word wastage?—A. Partially, yes. I would like you to understand, Mr. Chairman, that these various things I have set down here in my last letter to you when you asked me to outline in some way what I wanted to talk about, these things that I have listed for you here deal with wastage within the C.B.C. and as such are related to that word “wastage” which I have used.

Q. At any rate you are now relating staff turnover to the word “wastage” which you used?—A. That is right.

Q. Now, that relation of staff turnover—

Mr. FLEMING: The 30 per cent mentioned is in what period?

The WITNESS: That would be for a period, to my recollection, in the year 1948, and perhaps in the year 1947. My memory is a little hazy on the exact details but these things came up before staff council at the time I was associated with the executive or was making submissions to the executive. During the latter part of my career with the C.B.C. I was on the staff council executive. Before that I was active in putting forward ideas to the C.B.C. staff council because I personally thought that there were certain changes in certain things that should be brought about.

By the Chairman:

Q. Now, your evidence so far comes to this: that you observed, around 1948, that there was very considerable staff turnover, which you would estimate now, according to your recollection, as being about 30 per cent.—A. That is right, 30 per cent.

By Mr. Fleming:

Q. 30 per cent per annum?—A. Yes, 30 per cent per annum.

By the Chairman:

Q. And that is the point with which you are presenting to us your case as to wastage?—A. That is right.

Q. That is the first point you have made?—A. That is right.

Q. Would you mind, Mr. Aldred, endeavouring to be just a little more purely factual and allow us to infer many of the explanatory statements that you have been making because, as you know, we have to get on with our work. So instead of explaining your evidence as much as possible, would you just stick more to the facts.—A. Very well. The staff turnover, particularly the administration portion of the C.B.C. in Toronto, is based in the main on low wage rates which exist in the lower employee structure. It is my understanding that a survey was carried out by the C.B.C. in comparing rates of pay for stenographers and other types of lower paid employees within the C.B.C., and it was found that the wage rates paid within the C.B.C. are lower than those in outside industry. The result is that people, young girls and so on, upon whom tremendous importance must be placed, go to the C.B.C. for employment, but remain there for only a few months and then go on to other industries at higher wages.

Q. Would you mind particularizing there a little. We have in 1948 a 30 per cent turn-over as you recall it?—A. That is right.

Q. And the type of persons you have in mind, when speaking of this turn-over and the consequent wastage from it, is the office help?—A. In the main, sir.

Q. That is what you had in mind, in the main. Now would you indicate to what extent there is this same turn-over in some section of the employee personnel other than the office help?—A. There is a reasonably high turn-over in the staff of the central news room.

Q. What do you mean by "reasonably high turn-over"? Everybody uses terms with different meanings?—A. To particularize there, I would say that out of a news room staff of eight to ten editors, the turn-over in that particular division would amount to 20 or 25 per cent, indicating a flow-in and a flow-out of news editors in the central news room of the C.B.C.

Q. Both of these sections of employee personnel are very close to being the same, that is, close to a 30 per cent turn-over; in the case of office help you say 30 per cent, and in reference to the news room, you say 25 to 30 per cent?—A. In that neighbourhood, yes.

Q. So there is not very much difference between the two as you put them to us this morning?—A. It is very difficult to put down an exact figure of staff turn-over in different departments because one department may have two people while another department would have 35.

Q. The committee recognizes that you cannot be 100 per cent accurate in comparing one section with another; but it would appear from what you say now that there is not a great deal of difference between the turn-over in these two places. You fix it at around 25 to 30 per cent?—A. That is right.

Q. First you said it was mainly in the office staff and then you said it was in the news room to some extent as well. Is there any other place?—A. There are only two divisions in Toronto, the program division and the administrative division. The turn-over in the program division is bound to be much smaller. Those are the producers, announcers, and employees of that nature. The turn-over is bound to be small for the simple reason that if you want to work in that kind of radio, the C.B.C. is the only place where you can work.

Q. And you attribute this turn-over to low wages?—A. Well, in the main to low wages which in turn brings about a standard of low staff morale.

Q. Would you allow me to put that in reverse. You say there is low staff morale, or there was in 1948, and you attribute it to low wages?—A. That is right.

Q. Consequently is it not right to say that you speak of this wastage from turn-over in 1948 as being due to low wages?—A. Primarily, yes.

Q. Primarily due to low wages, yes. What was the wage level at that time?—A. There is a graduated scale of wages within the C.B.C. For instance, stenographers out of school who come into the C.B.C. and take on stenographic duties of some nature may be paid somewhere between \$20 and \$25 a week to start. Then, after the period of time they may get a raise of \$5 a month or \$10 a month over a period of years which, conceivably, could bring their stenographic pay up to \$30, \$35, or \$38 a week. That would be over a long period of time.

I suppose, and I think I am reasonably correct in saying this, the average rates—that is the average rate throughout say the stenographic level of the C.B.C., would be somewhere between \$28 and \$30 a week.

Q. That was the way it was in 1948 anyway?—A. Approximately, yes. I think that would tend to remain constant because of the turnover; because of new people coming in and starting at the much lower wage level.

Q. Now your point with respect to wastage is that the turnover was so high that it amounted to the C.B.C. not getting the best service that is obtainable from employed people. That is your one point about wages?—A. That is right.

Q. On this point?—A. That is right.

Q. And you have fixed that then by being about 30 per cent turnover at the time you were on the staff council and observed it?—A. That is correct.

Q. And you opine, I understand, that the condition has not changed?—A. That is quite right. What the exact percentage would be at the moment I do not know but I do appreciate the fact that there still exists a very high turnover in C.B.C. staff in Toronto.

Q. And you say the wage rate causing the turnover is lower than in industry or commerce generally?—A. Yes.

Mr. RILEY: Would it be in order for us to ask some questions now?

The CHAIRMAN: I was going to say something on that. I think you have completed your case with respect to wastage due to high turnover and if any person wanted to ask questions on the same point it would be in order to do so.

Mr. FLEMING: I suggest that you ask the witness if that is all he has to say on the subject of wastage?

The CHAIRMAN: I was putting it as a statement but I was allowing you, Mr. Aldred, to understand that it was a question. You have given us your case

Q. I would like to ask Mr. Aldred a couple of questions about turnover, am I correct?

The WITNESS: That is right.

The CHAIRMAN: Does anybody want to ask questions?

By Mr. Riley:

Q. I would like to ask Mr Aldred a couple of questions about turnover. You stated the approximate turnover in 1947 or 1948 was 30 per cent, and you said that was true particularly in the stenographic staff of the C.B.C. Do you mean the clerical staff as well?—A. That is right.

Q. Do you think that is abnormally high?—A. That is right.

Q. What would be the approximate turnover of the staff in industries other than the C.B.C.?—A. Well, from the reading which I have done of American and Canadian publications, I understand that the annual staff turnover in most industries will run between 6 and 10 per cent—perhaps 10 per cent at the very outside. I understand for instance, that International Business Machines staff turnover is approximately 2 per cent—but then that is an outstanding case. Taking 6 to 10 per cent as average in normal industry, I think from my own particular point of view that the high degree of staff turnover in C.B.C. tends to indicate a source of wastage.

Q. You make that contention on the fact that the basic wage rate is too low for stenographers?—A. Predominantly, yes.

Q. What is the basic wage rate for stenographers leaving business school in Toronto and going directly into office work?—A. I would say that a starting wage would approximate perhaps \$30 a week.

Q. Have you any basis for saying that, Mr. Aldred?—A. Let me say my basis for saying that would be just my observations of business generally during my normal course of reading.

Q. That is to say an untrained stenographer leaving business school in Toronto would be paid approximately \$30 a week to start?—A. I would say so, yes.

Q. And you also spoke about the turnover in the newsroom staff which you place at somewhere around 20 per cent to 25 per cent? That is correct?—A. Yes, that is correct.

Q. Would you know what amount of the turnover would be caused by transfers to other departments or by promotions?—A. I am not thinking of that when I make the statement; conceivably the turnover could be higher if you wanted to consider it that way.

By The Chairman:

Q. Your understanding of the word "turnover" is—A. People who leave—

Q.—people who leave the employment entirely?—A. That is right.

Mr. HANSELL: I have not finished.

The CHAIRMAN: That is right, you were first. What is your question?

By Mr. Hansell:

Q. I have two questions. I have not quite got in what way the C.B.C. could save money by paying higher wages except that there would be a certain efficiency obtained. Could Mr. Aldred tell us to what extent the staff would be reduced if they paid higher wages and got more efficient help?—A. That, as a matter of fact, is a point I was coming to. It would be my opinion after five odd years of observation of the C.B.C. activities in Toronto that perhaps a 20 per cent saving in staff would be effected. It is completely obvious with the high rate of turnover that is in effect there that the staff has to be kept at an abnormally high level in order to accommodate that turnover. It would seem to me, from my observations, that take in an office where say 5 girls employed—and I have one office in particular in mind, the Program Clearance office—that judging from the kind of work that goes on there four girls could easily handle the work that five are doing and, conceivably, if a high enough wage was paid, three girls could handle the work and the C.B.C. would still save money.

Q. Well, I see. Perhaps it is not a fair question to ask, but what would that mean in terms of dollars and cents?—A. No, it is not fair.

Q. Might I ask this one further question in connection with Mr. Aldred's background—which I do not think you perhaps covered completely. Might I ask the nature of his work previous to going into the broadcasting field. I understand he was in the service. Was his work of an executive or management nature, or just what was it?—A. From the time I graduated from Uplands airport here in Ottawa in December of 1940 until very early in 1942, up to the time I was still a flying officer, I had no administrative experience to speak of at all.

Q. Did you have any while you were in the air force?—A. I am coming to that, sir. During the year 1942 I was on a regular flight which was called the visiting flight. Five officers were chosen supposedly for high flying and high instructional ability to fly across Canada to air force training stations and to fly with the instructors and students and so to assess the degree of training under the Commonwealth Air Training Plan. When I came back from that in the fall of 1942 I was one of three men who set up what was called a senior instructors' flight in which we brought in officers and instructors for refresher courses in new techniques. In 1942 I went to the R.C.A.F. station at Hagersville as a squadron commander and as such, if you want to put it that way, I had command of, we will say, 300 people. Then I went overseas and eventually took over a flight in bomber command. At the end of the war I brought the squadron back home as a squadron commander. During a period of time I had responsibility for that squadron. After I got back in Canada we commenced training the squadron for flying heavy bomber duty in Japan or against Japan and I started taking over the training syllabus and things of that nature. So I would say that from late 1942, through 1943, 1944, and part of 1945, I had varying degrees of executive responsibility.

The CHAIRMAN: Does that answer your question, Mr. Hansell?

By Mr. Stewart:

Q. Mr. Chairman, the witness as I understand it complains about the low wage rates which prevail in certain departments in C.B.C. and there I have no

quarrel with him. Would he care to give his opinion to the committee as to the reason for the low wage rates?—A. No, I have no opinion at all; that is what I would like to know.

Q. Does the witness think the low wage rate might be due to insufficient funds in the hands of the C.B.C.?—A. That could conceivably be so. I was going to come to that point a little later, however I will cover it right now.

I remember very well attending a general staff meeting in Toronto. I think it was in the summer or the fall of 1947. At that time a cost of living bonus was being discussed because C.B.C. wage rates at that time had not kept pace with the rising cost of living. At that same time the C.B.C. had been granted a \$2 million loan to effect certain improvements and to expand certain broadcasting activities across the country. I attended that meeting because there was a situation developing very rapidly whereby employees, for instance married employees with children we will say—and several cases in particular—were having to take the children out of school in order to help make ends meet as far as the family budget was concerned. During the conference I got up and addressed the staff council president—I cannot remember who it was at that time but I believe it was a Mr. Fairburn, but I am not sure. I stated that my impression was that if the C.B.C. could acquire extra funds and additional funds to expand the broadcasting facilities, it seemed to me that additional funds then could be raised somehow to meet rising costs of living—which brings me to another point.

Q. Just a minute before you leave that. This loan for improvements in the system came from parliament?—A. That is right.

Q. And was it specifically for improvements?—A. That is right.

Q. And if parliament did not grant additional money for increases in wages could you attribute the fault for that to the C.B.C.?—A. I beg your pardon?

Q. If parliament did not grant extra money for an increase in wages, could you blame the C.B.C. for that?—A. Not necessarily, because at that meeting after I had got up and explained my sentiments, at this general staff meeting, the director of programs, Mr. Bushnell, who was sitting right behind me and which I did not realize at the time—to quote his words—said, “It was time that certain employees found out what the hell was going on around here and that they should know by now that money can be granted by parliament for technical expansion, but cannot be granted for increases in wages to the C.B.C. staff.”

Q. So that whatever additional revenues the C.B.C. might get for increasing wages would have to come out of commercial programs or something else?—A. Commercial programs or some other way of increasing revenues.

Q. Have you any reason to believe that had the C.B.C. additional revenues at its disposal it would not have given increases in wages?—A. No, I have no reason to believe that they would not, because as time eventually progressed wage rates were very, very gradually raised. Cost-of-living bonuses were brought in and funds were found somewhere to pay them, but it was a matter of extreme necessity. If funds were not found, there obviously would not be much of a staff left, because people could not afford to work for the C.B.C. much as they wanted to work with the C.B.C.

Q. Do you believe then that low wages were due primarily to the tight financial position in which the C.B.C. found itself?—A. That may be, yes, but I also think they were due in some respect to imbalance, as far as money spent on programming is concerned, which is something I am going to come to later on.

Q. Very well, I shall leave that for the moment.

The CHAIRMAN: Before you ask another question, may I make this comment? I have not interfered in your answer to Mr. Stewart. I realize that you

feel very often that long explanations are necessary before you give a direct answer to the question, but respectfully I would point out that you are using a great many more words in your answers and taking a great deal more time than I feel is necessary, and I would ask you, when you are asked a question, to try to answer it without quite so much circumlocution.

I realize that not every person can do that easily and readily, but please do the best you can because there is not unlimited time and we do not wish on the other hand to cramp you in any way.

Mr. LANGLOIS: In answer to a question asked by yourself and by Mr. Riley, the witness said that there might have been a saving of money if higher wages had been paid and, therefore, a higher degree of efficiency obtained from the personnel and now, in answer to a question of Mr. Stewart, he seems to say that the higher wages were not paid because of lack of funds. I have a hard time in my mind to reconcile those two ideas.

The CHAIRMAN: Well, that is the witness' evidence, nevertheless.

Mr. LANGLOIS: Could he further elaborate those points?

The CHAIRMAN: Your comment is one you are free to make although just at the moment we should hold with questions.

By Mr. Murray:

Q. May I ask the witness how the wage scale would compare with that of the National Broadcasting Corporation or the Columbia Broadcasting System?—A. Well, there is no comparison. The wage rates are usually extremely much lower—much lower.

Mr. HANSELL: Of course, all wage rates in Canada are much lower than those paid in the United States.

By the Chairman:

Q. You have remarked, Mr. Aldred, that in dollars and cents there is probably a wastage by paying low salaries because if higher salaries had been paid fewer employees would have been needed. You made that remark?—A. That is right.

Q. I will just follow that point with you. You took the case of five girls at \$30 a week, just to choose a figure. That is \$150. Then you say it could have been done by four girls had they been of the kind that were paid a higher wage. Is that a fair way of rendering what you remarked at one stage?—A. That is quite right.

Q. Then, may I just follow that up? You said that if you paid them, say, \$40, you would get better service or, at any rate, you would get the same service as you would get out of five. Is that a fair rendering of what you had in mind?—A. Not exactly, no, because if I mentioned the figure of four—and you mentioned \$40 a week because that was what was in my mind—I would say this, that judging from the amount of work, for instance, that is done in the department with which I have had a certain amount of contact, and knowing the amount of time that is spent by these girls in not doing very much, that three good girls hired at \$40 a week could certainly do the work that is being done by the five—there are two or three girls—

Q. Excuse me just for a moment. If some person was questioning you and interrupted you in the middle of your answer, I would say to that person, "Please let him answer." Now, I give the same admonition to yourself, that you do not interrupt yourself but complete your answer.—A. I would say this, that three girls in that department hired at a rate of \$40—good girls—could certainly handle the work done by the five there at the moment. That is the point I was trying to get at.

Q. If you were having the work done by four girls and paid them very much more than \$30 a week, you would not have very much saving.—A. No, but you would not need more than three good girls in that department.

Q. And you could get three girls by only paying an additional \$5 a week and they would be able to do the work of five?—A. Well, you used the figure of \$30 a week originally and I said \$40. So that is an increase of \$10 a week. For an increase of \$10 a week you would certainly get three very, very good girls who could handle that job.

Q. That is your estimate of the savings that could be effected by higher wages?—A. That is right.

By Mr. Gauthier (Sudbury):

Q. Mr. Chairman, the witness said a few minutes ago that one division had a turnover of about 30 per cent and the other 25 per cent. What percentage of female and male employees would be in each of those divisions?—A. I would not have any idea of what exact percentage there was. In the news department it would be male, and in the administration division if you were going to include messengers and runners and various people of that type, which are included in the higher staff turnover, you might have, say, a 50-50 percentage. If you include just the stenographic staff, the stenographic staff—

Q. Well, you mentioned two divisions in particular.—A. Well, I mentioned the news room as an example. The 30 per cent applied throughout the entire building—in all categories.

Q. Now, what percentage of those employees, that 30 per cent or 25 per cent in each division, would be people without any prior experience of office work?—A. That I would not be prepared to say.

Q. And you still maintain that that is a high turnover?—A. I maintain that for an organization of 350 or 340 or whatever the number of employees is at Toronto, to have one-third or a little less than one-third of that number of employees who leave the employment at that particular centre is wastage.

By The Chairman:

Q. Now, you have about 340 employees—you had about 340 in 1948?—A. I think it was smaller than that. As a matter of fact, it was about 310 or 315, or something like that.

Q. And at the end of the year there would be about one-third of them not there and replaced by others. That is your statement?—A. That is right. That is an approximation.

Q. You have indicated that that basis for turnover has continued through 1949 and thus far into 1950?—A. To my best knowledge, yes.

Q. Well, what is your best knowledge?—A. To my knowledge, yes, I would say that a high rate of turnover comparable to that has tended to exist.

Q. Well, comparable to what amount?—A. Around 25 to 30 per cent.

Q. Comparable to that amount—not very much variation away from 30 per cent?—A. Yes.

Q. So that you aver that there have been about one-third not merely of the stenographic staff but the over-all, about one-third—probably a little more, probably a little less—leaving the employment and being replaced by others in the period of time under review?—A. That is right.

Q. Now, that is a matter to which you have been giving your close attention as an observer, is that correct?—A. That is correct.

Q. And you have made the statement because of the fact that you have been closely observing this situation?—A. That is correct.

Q. And we thus are to judge you and your degree of accuracy by these statements?—A. That is right.

Q. You are content in that respect?—A. Yes, that is right.

By Mr. Riley:

Q. May I ask a question now, please? Mr. Aldred, you said a few moments ago that the highest percentage of turnover was with the stenographic staff, the lower paid staff?—A. Let us say the lower wage staff in the administrative group.

Q. Well, what percentage of the total would that be?—A. I have no idea.

Q. Would it be approximately one-third of the total amount of the staff of the C.B.C. in Toronto?—A. I do not understand your question, sir.

Q. Well, you said that the highest amount of turnover was with the lower paid administrative staff, such as stenographers?—A. That is right.

Q. Now, what percentage of the total staff of the C.B.C. in Toronto would be made up by these "lower paid stenographers in administrative work"?—A. Is your question:—say there were 300 employees and, roughly, one-third of them left, how many of those would belong in the administrative division?

Q. That is right. How many of the total number would be made up by this section in which you said the highest amount of turnover took place?—A. I would suppose it would be 80 or 85 per cent—in that neighbourhood, because the administrative division is by far the largest division and when I say the administrative division remember that in the program division there are people carrying on administration.

Q. But pardon me, when you referred to the highest amount of turnover, you said it took place in that section made up of stenographers and lower paid help?—A. That is right.

Q. Now, what percentage would that be of the total amount of salary?—A. You could take my figure of 80 per cent to 85 per cent as being the figure.

Q. And then the rest of the staff would be made up of technical?—A. Other types of employees in various branches of the service.

Q. Now, one more question, Mr. Aldred. When you say that three girls could take the place of five when paid a higher salary and do a more efficient job, you are speaking then of the ideal office set-up, are you not?—A. I am speaking in terms of higher wages (a) attracting a better type of employee or (b) higher wages being a greater incentive for present employees to better their work; in other words, that they would feel that their efforts are being appreciated monetary-wise to a small extent.

Q. What you mean by that is to attain the ideal in office efficiency you could attain that ideal by paying higher wages and having fewer girls do the work?—A. I think that that is common practice.

Q. Have you ever had any experience in building up a stenographic staff?—A. I have had no experience in building up a stenographic staff.

By Mr. Gauthier (Portneuf):

Q. You have an office, Mr. Aldred?—A. I have no office, no.

Q. I thought you mentioned that.—A. No, I did not. I said when I was in the service.

Q. But afterwards?—A. I am sure when you read the transcript you will find I did not say that.

By Mr. Stewart:

Q. I want to make sure that I understand the witness. He said that there were roughly 300 employees altogether, roughly 80 per cent of whom would be in the administrative division?—A. No, I said when I was questioned by the member on my right—he asked me how many people of the one-third or 30 per cent of the people who had left the C.B.C. were members of the administrative staff—what would that number be, and I said 80 to 85 per cent of the number that left the C.B.C.

Q. What percentage do you think would be in the administrative division out of the 300?

The CHAIRMAN: 300-odd. If you do not mind, I am correcting that for the purposes of the record.

Mr. STEWART: Yes.

The WITNESS: That would be a rather unfair question to me because I do not know the exact figures as far as the number of people who are employed in the administrative division are concerned.

By Mr. Stewart:

Q. Could you give us a very rough guess as to that percentage? I understand it will not be accurate and we cannot expect it to be accurate.—A. I would judge that of the 300-odd employees who are employed in Toronto by the C.B.C. that perhaps there would be well over 200 involved in carrying out administrative duties.

Q. Suppose we take your figure of 200. Do you believe, if we are to take that other department which you mentioned as a criterion, that if wages were raised for 120 that 80 could be dismissed without affecting efficiency?—A. Not necessarily in all departments. I used one department as an example. It would depend entirely upon the type of work that these people were doing. What I do maintain is this, and I go back to my original assumption once again, that when a situation arises in industry where staff turnover will run between 25 and 30 per cent per year, I think that is too high, regardless of who the employees are or what they do. There must be something wrong when a situation like that will exist.

Q. Well, you told us in this one department employing five girls, that you believe that the services of two or 40 per cent could be dispensed with?—A. That is right.

Q. That 40 per cent does not necessarily follow through every department?—A. No, I used that as an example.

By the Chairman:

Q. I would like to understand what you mean. It seems to me that when I say "This is an illustration," that I am asking those who are listening to me to anticipate that as being a small picture of what the whole picture is or would be. Do you use the expression "as an example"—that is in quotation marks—do you use the expression "as an example" in some different fashion? Why do you use that expression if you do not ask us to take that as a small picture of the whole picture?—A. Because the picture throughout the entire organization, because of the very nature of the organization, is different from that, or could be considered to be different from that example.

Q. Then, it is not an example of what we will find throughout the organization; it is an example but it is not an example of what we will find straight across the board, if I may use that expression; is that correct?—A. That is correct—yes.

Q. Then of what is it an example?—A. Because we were speaking at that time of the stenographic staff.

Q. May I interject once again that we were not at the time that you used the expression speaking about anything. It was you who said, "Let me give you an example," and then you proceeded to tell us about this office where there were the five which number might be reduced if more money were paid. The expression "I give you an example," is your expression and I took it to have the ordinary meaning—that you wanted to present to us a miniature picture of the whole. You say that is not your intention in using that expression?—A. If I said this, that in that particular case two people out of five conceivably could

be done away with and the work done by three employees—if we took that 40 per cent total and applied it throughout the entire organization and we cut 40 per cent across the board in every office, well obviously it would not work.

Q. Then, whatever you did mean by the expression “as an example,” you did not mean that you were presenting to us a picture of a small office which, with a little variation, could be the picture of the larger organization? You did not mean that, whatever you did mean?—A. No, that is right. I did not mean that the 40 per cent picture I used there should be projected throughout the whole. I used that as an example and I believe you used it also after I gave it.

Q. Yes, because you had instructed me to do so by your answer.—A. And if I gave you a misapprehension of what I meant, I am sorry.

Q. Well, it is not that I am upbraiding you in any way whatever, but it is important that language be used on Tuesday the same as it is on Wednesday and by Jones the same as it is by Smith. Otherwise, there could be no understanding arrived at from conversations.—A. I agree with you 100 per cent, so I will go back to my original statement that I believe and maintain that staff turnover in any organization of approximately 30 per cent is too high and is wastage.

Q. That is a further asservation of what you have said, and it adds or detracts nothing from what you have said, but if you are going to give us examples and the expression “example” means something different in your parlance, then please explain to us always in what peculiar or special capacity you are using the expression; otherwise, we will not understand you.

The bell has rung calling us to the House but we shall return immediately after the orders of the day. Mr. Aldred, we always have to go down to the House when it meets. We will not be long.

—The committee resumed.

The CHAIRMAN: I see a quorum. Does anyone wish to ask another question on the matter under discussion?

By Mr. Gauthier (Sudbury):

Q. You stated, Mr. Aldred, at the beginning of your statement, that you sat on a grievance committee or advisory committee?—A. I said I sat on the executive of the Toronto Staff council.

Q. I suppose that staff is composed of men of all divisions?—A. I think there are about ten people on the staff council who represent all of the employees. The size of the various departments in the organization—program, administration, engineering, determines the number of representatives.

Q. You were representing programs?—A. That is right.

Q. How many people were there in the division?—A. In the program division?

Q. Yes?

The CHAIRMAN: At the time that you represented them?

The WITNESS: I would have to add them up.

By Mr. Gauthier (Sudbury):

Q. Well, just approximately?—A. There would be perhaps 80 or 90.

Q. 80 or 90?—A. Yes.

Q. When you submitted certain matters of grievances or whatever you call them to this committee, how many men of this committee shared your views?—A. Some people might not share them at all; sometimes the whole committee shared them. For instance, I will give you an example. May I give an example of that?

By the Chairman:

Q. I have no objection to you giving an example at any time. What I wanted you to understand from my earlier remarks was that when you give an example let it be an example.—A. For some time, a period of three or four years, there was a certain amount of discontent on the announce staff and the production staff regarding fees for the use of an announcer's or producer's time and talent on commercial programs. The way the C.B.C. operates with respect to programs is this. The commercial time is sold. If a client for network or local broadcast wants a certain announcer—what he considers to be the best announcer—he may hire that member of the announce staff if he likes. The client may hold auditions of the whole announce staff and choose the man he likes best. When that happens a man who works on C.B.C. commercial programs will have deducted from his pay an amount equal to the amount of time he is tied up on the commercial broadcast. The amount depends on his rate of pay per hour, plus another 15 per cent after that which the C.B.C. refers to as an agency charge.

Q. 15 per cent of what?—A. Of the gross fee, although the C.B.C. does not act as a booking agency in any shape or form.

However, that matter had been taken time and time again by the C.B.C. staff council in Toronto and in Montreal owing to the set-up being unfair in this regard. The more commercial work that a man did, particularly if he was in a lower salary bracket as I was, naturally the lower his net salary was. It was possible then, if a man was tied up with commercials, and take my own case at the time of my dismissal—deductions off my salary, which was somewhere in the excess of \$200 a month—were such that my net take-home pay was \$80 to \$90 a month for working anywhere from 35 to 40 hours a week on C.B.C. sustaining programs. If I had taken another couple of shows conceivably I could have spent another two or three hours on commercial broadcasting, and depending on those fees, the C.B.C. could have had my services for nothing. There are men like Elwood Glover who a year and a half ago was one of the top C.B.C. announcers, whose take-home pay is considerably less than \$1,000 a year. That was brought up before staff council as a grievance and the matter was taken to management on a number of occasions.

Q. By you or by— —A. By staff council although I had in one case definitely made the recommendation because I was the announce representative on the committee—there were 16 or 17 on the announce staff. Also, I was on the executive of the staff council but I did not come to Ottawa personally to put that grievance in front of management. That was done by the president from Toronto. Miss James was president then, and before that time it was Mr. Fairburn. These matters were brought up time and time again. In any event, as far as management was concerned that type of grievance was brought forward by myself or other members—which brings us back to the point where I was fired. I was fired for mentioning in the Montreal Standard that for some time we had endeavoured to have this changed but it had not been changed. For that I was accused of being disloyal to the C.B.C. and fired. The C.B.C. maintained that I had made no submission to management on the particular problem and yet I had made submissions for over two years on the particular problem.

Q. May I ask you this question. You say it was brought up time and time again. First of all, I presume you mean it was brought up in staff council time and time again?—A. That is right.

Q. Was it brought up time and time again by you or by you and by others?—A. By me and by others.

Q. Who were the others?—A. All of the announce staff in Toronto, and the producers who would do a certain amount.

Q. You do not mean do you that each of the announce staff in Toronto brought it up in Toronto? It would be their representative who brought it up?
—A. That is right.

Q. That is what I mean.—A. That is right.

Q. You yourself as their representative brought it up time and time again?
—A. That is right.

Q. Did the others, some time probably when you were not representing them, did the others bring it up before staff council?—A. I think if the minutes of staff council are examined from 1946 and on I think you will see that the problem has been presented yearly to management.

Q. I was only dealing with it, in my question, in the light of presentation of it to staff council. You did not mean presented to management, it was in the staff council where it was brought up time and time again?—A. That is right.

Q. And the council repeated, time and time again, the representation made?—A. That is correct.

Q. And the staff council agreed with the representations that were made, and those you made were similar to what others made? That is correct, is it not?—A. That is correct, yes.

Q. So staff council has consistently been on the same side of that argument as yourself?—A. That is correct.

Q. And there has been no variation in that respect?—A. That is correct.

Q. Then you say it was brought up by the staff council to management time and time again, pursuant to what had happened in council?—A. That is right.

Q. As to that would you agree you are speaking from hearsay?—A. I beg your pardon?

Q. As to that you would agree would you not that you are speaking from hearsay—that it was brought up before management?—A. No, I am definitely not speaking from hearsay.

Q. Were you there when it was presented?—A. No, but I have seen the minutes of the staff council.

Q. You may not understand "hearsay". If some person tells you something either in writing or by words you then have received your knowledge by what you have seen or heard, and that is denominated as hearsay?—A. I see.

Q. You would agree would you not that your knowledge as to whether it was taken up with management is hearsay?—A. Yes, that would depend on what I have read.

Q. It would depend on the truth of what you have been told or seen?
—A. That is right.

Q. It had been reported back time and again to staff council that the representations which you have been detailing to us have been taken up with management?—A. That is quite correct.

Q. And I understand what you meant when you said it had not been settled was that in fact it had been settled but adversely?—A. Precisely.

Q. So your proposition is that time and time again staff council has made representations of the kind you have been detailing to us and that management has refused, and that there it stands.

Mr. STEWART: May I ask the witness what his terms of employment with the C.B.C. were?

The CHAIRMAN: Your own terms?

The WITNESS: I was hired by the C.B.C. on a staff basis—that is I was hired on salary to do such sustaining activities as were required. By sustaining I mean non-commercial. You understand also an announcer hired for sustaining duties on the C.B.C. can do commercial work for which no fee is paid. The C.B.C. supplies the announcer to any client who buys radio time and wants to

put a program on the air where certain announcements are required. If the client wants a particular announcer or a particular voice to sell his product or to narrate his program, then he has the option of hiring a staff announcer at certain union rates which are laid down and to which the C.B.C. has agreed. Those union rates or rates in excess of those union rates can be paid to the man.

At the time of my employment with the C.B.C., and as it is today, the stipulation with reference to commercial is this. All commercial fees paid to any announcer or to any producer would be paid on the basis of the C.B.C. getting the gross fee and the announcer getting 15 per cent less than the gross fee—less the pro rata deduction for his salary time that was involved in the particular program.

By Mr. Stewart:

Q. You understood when you joined the staff of the C.B.C. that you would have to work a certain number of hours a week—40 or 45 hours a week on a sustaining basis?—A. That is quite correct.

Q. You understood when you joined the C.B.C. that when you did commercial work during your sustaining hours that your pay would be deducted accordingly?—A. Those were the regulations in effect at that time.

Q. And you understood them when you joined?—A. Oh, yes.

Q. You also understood that for all commercial work the C.B.C. would take 15 per cent as an agency fee?—A. Oh, yes.

Q. All those things you knew when you joined?—A. Oh, yes.

By the Chairman:

Q. Your point is that while the staff through the staff council made representations against this method, their representations were negated time and time again, resulting in a lowering of morale in this case of the announce staff? Is that your case?—A. The case that originally came up was when the member on my right brought up my function regarding the staff council and whether or not I carried the submissions through. I have brought up this particular case in which I was particularly interested and in which there was general staff agreement, among the people involved that this situation should be changed, that it was not fair. That is the function of the staff council; that employees can go to management with grievances—if you wish to put it that way—and this was a grievance. I carried out the function that was given to me and, for the period I was not a member of the staff council, I, along with other people, made representations to our representative on the staff council.

Q. The sole purpose of what you have been saying since Mr. Gauthier questioned you was to give us an example of the manner in which the staff council works and of the manner in which you yourself had presented grievances from time to time?—A. That is right.

Q. That is the sole purpose of the answers you have given which you have stated as an example?—A. Yes, as an example I gave that case because I was concerned.

Q. You were not, however, endeavouring by your answers and the story you have told us to indicate that there had been a lowering of the morale by reason of the refusal of the representations?—A. Well, if you would call discontent lowering of morale, yes.

Q. Well I am only asking you. Would you say there was discontent or that discontent remained and perhaps increased by reason of the refusals, and that it meant a lowering of the morale of the announce staff?—A. That is right.

Q. That is your case with regard to that point?—A. That is right.

Q. And that is to be taken as part of your case with reference to wastage, I presume, because a lowering of morale was general and that it resulted in wastage?—A. Not necessarily.

By Mr. Riley:

Q. I would like to revert for a moment, if Mr. Aldred does not mind, with respect to the matter of wage rates of stenographers. Mr. Aldred, some time ago you told us that the average wage rate for stenographers of the C.B.C. in the period which we were discussing—1947 to 1948—ran from \$28 to \$32 a week?—A. That is right.

Q. Have you made any surveys in respect to other businesses in the city of Toronto and the average wage rates paid to stenographers during the same period?—A. No, but the C.B.C. has.

Q. Well just leave them out altogether. I am asking you whether you have done so?—A. No, I have made none; although while I was on the staff of the council, I cannot tell you who it was because I cannot remember, but there were several people at that time who made individual investigations into outside industries to determine what their rates were in order to compare them with the C.B.C. going rates. They found that the C.B.C. rates were lower.

Q. Have you any direct knowledge of that; you have made no direct survey yourself?—A. No, I made no survey myself.

Q. Yet you are able to make the statement here, that for average wage rates we would take \$28 to \$32 for stenographers in the C.B.C. We can strike an average of \$30 between those two figures?—A. That would be correct, yes.

Q. Yet you say that was considerably lower than what was paid in other industries and other businesses in Toronto at that time?—A. That was the finding at that time of the staff council.

Q. You give it as evidence?—A. I am repeating what I said, in effect before: I speak from my own knowledge of my own staff activities, particularly with regard to staff council; it is my own knowledge.

Q. I would just like to make a statement now and see if you will agree with it, Mr. Aldred. Within five minutes I was able to obtain the average wage rates for stenographers in two different types of business in Toronto—all I could get within five minutes. In 1948 the average weekly wage rate for stenographers in the wholesale trade in the city of Toronto was \$31.80. The average weekly wage for stenographers in the retail trade in Toronto was \$30.23. I just want to have that on the record.

Mr. FULTON: Could I ask Mr. Riley—

Mr. FLEMING: Before we go any further you have raised the question yourself about hearsay, Mr. Chairman. Where do we go with this?

The CHAIRMAN: I gathered that Mr. Riley was making a statement for the purpose of putting a question.

Mr. RILEY: Yes.

The CHAIRMAN: And not for the purpose of giving evidence.

Mr. FLEMING: He said that he was making a statement.

The CHAIRMAN: Yes, but I understood it was for the purpose of a question.

Mr. FLEMING: The only difference is that this is hearsay upon hearsay.

Mr. RILEY: Just a minute, Mr. Fleming. I am going to follow this with a question to Mr. Aldred. I have made the statement and I would ask him if he thinks in the city of Toronto during the period we are speaking of—1947 and 1948—that the average rate for stenographers in the wholesale and retail trades was also too low?

The WITNESS: Obviously, yes.

By Mr. Richard:

Q. I would like to ask you this, Mr. Aldred: Do you know whether the wage scale compared with the Civil Service Commission wage rate in Ottawa and other points in Canada?—A. I beg your pardon?

Q. Do you know the comparison of the wage rate in the C.B.C. with the Civil Service Commission wage rate throughout Canada?—A. No, I have no idea but I understand that the C.B.C. is, and I may be wrong, but I understand that the C.B.C. has no connection with the civil service.

Q. No, but I am asking you if you have any comparison of the wage rates?—A. No, I do not. I have heard them but I do not know what they are.

Q. Do you know anything else other than what happened in Toronto, with regard to wage scales and rates?—A. Do I know what?

Q. Do you know anything about any place other than Toronto? Are you dealing only with the C.B.C. in Toronto?—A. Let me make reference to a document here.

The CHAIRMAN: Well, just a moment.

The WITNESS: In answer to that particular question—

Mr. RICHARD: Are you dealing only with Toronto?

The CHAIRMAN: May I interpose? The question is one which I think can be answered 'yes', or 'no'. Mr. Richard has only said to you: Are you dealing, as far as you have gone, solely with the Toronto picture? I have changed the wording a little but that is what it comes to.

The WITNESS: Yes.

The CHAIRMAN: I think it can be answered 'yes', or 'no'.

By Mr. Richard:

Q. Your duties when you were employed with the C.B.C. were those of an announcer on sustaining commercial programs?—A. That is right.

Q. There are 300 and some employees in Toronto?—A. That is correct.

Q. Did you know the duties of all of the employees in every section in Toronto?—A. I would not say that, no. Not any more than you would know the duties of all the employees of the government, perhaps.

Q. Perhaps I know quite a bit, but if I spoke about it at least I would be careful. Would you know that in a certain office certain employees might be doing work for which a wage rate of \$100 a month is plenty of remuneration—that there is a job for \$100 a month; and that there is another job in the same office for \$125 a month because the duties are of another nature? Could you analyze each department of the C.B.C. in Toronto and find out whether the wages were comparable to the type of work required of the employee?—A. I am speaking with regard to employees from my own knowledge on the staff council. We had representation from all points and all branches of the C.B.C. in Toronto and, if any particular grievances were brought up by somebody—we will say in the teletype division—that came up before the staff council. As I was a member of the staff council it might come to me even though I did not belong to the teletype division. But I certainly did not go around and assess the job potentialities of the 300 odd employees in Toronto at that time.

Q. You gave an example some time ago about five stenographers?—A. Yes.

Q. You are assuming that the duties of all five people would be equal in there, and it would not be the case as in an ordinary office where you might have two very good stenographers paid \$50 a week, one junior paid \$30 a week, and one who would be doing some stenographic duties, typing and clerical work, that might be getting \$110 a month?—A. You could still have that situation in connection with industry and not have a 30 per cent staff turnover.

Q. Do you know one thing then: is the turnover more in the lower wage scale and how long were those employees, who turned over, employed? Were they employed only for a year during which they had acquired experience?—A. Well, that would tend to be the setup, yes, employees going to the C.B.C., getting a certain amount of experience and then going to more lucrative paying jobs.

Q. Then, did it ever occur to you that the C.B.C. required to have a greater staff of experienced people?—A. I maintain when an industry has a turnover of 30 per cent, that tends to inefficiency because you have that constant training period.

Q. That is your opinion, but you are not an administrative expert. That is your whole basis for saying that there is wastage because there happens to be a turnover amongst employees in a lower wage scale.—A. I mean, if you want to dwell on that point for a little while, I am quite willing to illustrate the fact that I am not the only person who is bothered by this extremely heavy turnover in C.B.C., let me just read an excerpt here addressed to all members of Toronto staff council sent by Dr. Frigon who refers the staff council organization to the fact that there is a heavy turnover on our staff.

Mr. FLEMING: What is the date of that?

The WITNESS: May 10, 1948, the period that I am talking about.

By Mr. Richard:

Q. Will you quote it?—A. Yes:

With the opening of new operating centre in Alberta and the re-organisation of the prairie regional office at Winnipeg, and also because of the heavy turnover in our staff during the last few years, this may be an opportune time to call the attention of all concerned to the true meaning behind our staff council organization.

And I will tell you that I know that came up because I was on staff council at that time. The staff council in Toronto and staff councils across the country were jointly concerned with the amount of staff turnover in the C.B.C., but nothing has been done to resolve it, and Dr. Frigon on May 10, 1948, admits that there was a heavy turnover of staff during the last few years.

Q. Do you know— A. That obviously means more than normal.

Q. Do you know that in the city of Toronto that that has been the complaint of all industry, the heavy staff turnover in the lower wage scale?—A. If that is the complaint, why is something not done about it? If you say it is a complaint, then something should be done about it.

Q. You have no knowledge then of the general situation in Toronto in other industries comparable to the C.B.C.?—A. Such as?

Q. Any kind of industry?—A. What industry would you compare, the Bell Telephone Company?

Q. The Bell Telephone Company, if you want.—A. You think that the Bell Telephone Company is 30 per cent?

Q. I do not know anything about the Bell Telephone Company. I am asking you if you know anything about turnover of industry in Toronto?

The CHAIRMAN: Excuse me, gentlemen, both of you. I feel that replying by question and counter-replying by question, first one way and then the other will not elicit information. I wonder if the committee would not be agreeable to proceed to a different point after a short summation that I would like to ask the witness about?

Mr. FLEMING: Before you do that, Mr. Chairman, I would like to ask a question.

The CHAIRMAN: The reason being that we began at 10 o'clock this morning and we will continue this examination this afternoon and this evening and tomorrow and the next day or something like that at the rate we are going, do you not see? I am sure that all members of the committee wish to give the witness full opportunity now but at the rate we are going that full opportunity will never be given if this examination lasts for well,—possibly 24 hours, and

I am sure that you do not wish to contemplate that. I, therefore, would urge that as soon as you can, we move to another point. Mr. Fleming has not asked any question yet and he apparently desires to ask one now.

By Mr. Fleming:

Q. It will be a short one and I might say that I concur in what you have just said. Mr. Aldred, let us get down to something which it might be quite fair to compare; let us compare C.B.C. situation with that of the private stations in Toronto. Do you know anything about wage rates, degree of staff turnover, or the degree of overstaffing in the private stations in Toronto?—A. I cannot give an exact figure on that, no.

Q. Do you know enough about it to be able to make a comparison with the C.B.C. situation in Toronto as you know it?—A. From my experience in Toronto radio circles and from my knowledge of the employees or people employed at CKEY and CFRB I would say that the staff turnover at those two stations would not approximate 30 per cent per year, or anywhere near it.

Q. Do you know anything about salary rates in those stations?—A. No, I do not.

The CHAIRMAN: May I just ask you—

Mr. HANSELL: Before you go to the next point, Mr. Chairman, I think perhaps that Mr. Aldred should be permitted to make any final rounding out of his statements on the—

By the Chairman:

Q. I was going to do that, Mr. Hansell, I was just going to ask you if this is a fair summation of your evidence respecting wastage in this particular: the personnel turnover is high, probably in the neighbourhood of 30 per cent; primarily this is due to low wages, if higher wages were paid fewer employees would be necessary and money would be saved, hence there is wastage. Is that a fair estimation of your evidence on that point?—A. Yes, I would say that that is a fair estimation.

Q. Very good. Now, I think that we got into the evidence that we have heard since we started this morning by my asking you to give examples of wastage and you said that you would give an example of wastage arising out of handling of personnel. Now, is there any other wastage of which you can tell us?—A. Yes, there is.

Q. What is it then?—A. Let me take several—

Q. Take one at a time, Mr. Aldred.—A. Oh, yes,—

Mr. FLEMING: There will be no harm in his making a statement and then detailing items if he cares to do that.

The WITNESS: Let me give an example, say technically speaking, of wastage.

Now, I in no way, shape or form, say that I am a technical expert. However, I have normal powers of observation. I would talk about the C.B.C.'s recording room for a while, just as an example of wastage.

By the Chairman:

Q. Of the duties in the recording room?—A. This has nothing to do with staff personally. What happens in the recording room is this: the recording room is set up to record programs for delayed broadcasts; it is set up to record pieces of different programs like News Roundup from different parts of Canada, so that they can be assembled into a whole program later on; it is set up as a convenience to the C.B.C., whereby air checks can be taken of programs that are on the air; it is set up as a convenience to the C.B.C. so they can record what is going on the air in other radio stations, as checks upon their operations. Now,

one indication of wastage within the C.B.C. as far as the recording room is concerned, is the fact that virtually of all 16-inch sided discs, one side only is used. There have been occasions up until very recently—and I understand there are still a good number of these records—records have been used on one side only, stored for a couple of years and then have been disposed of at ten or fifteen cents apiece. Now, these recording blanks—

Q. May I interject there? You are talking about a record which has been used on one side and is sold for ten or fifteen cents?—A. For scrap.

Q. So that the other side can be used?

Mr. FLEMING: He said for scrap.

By the Chairman:

Q. Just wax scrap?—A. Aluminum scrap; they are an aluminum base.

Q. I do not know what these things were made out of. I thought they were made from a hard wax.—A. No, those are pressings. These are acetate recordings used for original recordings. Those records are satisfactory if used on either side and yet it is not C.B.C. policy to use both sides of those records. Now, those records cost, depending on the quality, a very very conservative figure would be \$2.50 apiece. Now, I understand that the combination of 16-inch and 12-inch discs that are used would approximate 16,000 per year in this one centre, which would be perhaps 45 or 50 discs a day.

Now, if reverse sides, for instance, were used, on the 16-inch recordings—and I know they are not used in most cases—money could obviously be saved because new discs or as many new discs would not have to be bought. Almost all programs that are featured, for instance, on those larger budget programs, are recorded; sometimes rehearsals are recorded all on disc, the programs themselves are recorded on disc; all of News Roundup is recorded on disc and yet with the advent of the tape recorders which is a much more economical operation, tape recorders which are used extensively throughout the United States and Canada are not used to any great degree in Toronto. For instance, let me give you an example. News Roundup, with which perhaps you are all familiar, is heard five nights a week. It is a fifteen minute program covering news events which are heard across the country. Recordings are made that may be two or three minutes in length and they use a 12-inch disc for that, and one disc at a time, all new discs, twelve inches in diameter. They might record ten or twelve different offerings from across the country and from Toronto. A lot of that stuff is not used. They record British news reels every night from England. They record a similar type of program of news roundup from the American Broadcasting Corporation in New York. Much of that material is never used. Those discs are wasted. It seems to me and it seems to be also the opinion of the operating staff there that much money could be saved by recording all these things on tape of which a desirable quality can be obtained and then pick out these things that are required and put them on these expensive discs, but that is not the case. There can be no argument against the quality of tape recordings because they are used in the United States, and the C.B.C. in Toronto records the program "What's Your Beef?" on tape and it is transmitted off tape every day of the week. Once that program has been transmitted off that tape a new program can be recorded on that same tape.

Now, I believe that in that particular branch of the C.B.C.'s technical operation, knowing the amount of discs that are used, knowing the amount of air checks that are made, and almost every program is air checked—

Q. What is the meaning of the expression air checked?—A. That means the program is recorded off the air so that the people who produce the program or the artists involved in the program can listen back to it.

Q. Before it is broadcast?—A. After it is broadcast.

Q. Am I right in summarizing that expression this way; a program is put on the air, it is recorded so that those who gave the program can later on find out how it sounded to the public. That is what is meant by the expression air checked—A. That is right. Now, in cases where music is being played and where it is desired to have an air check or where it is desired to have a dress rehearsal recording it seems to me that all of these things could be recorded by means of tape recordings. Oftentimes programs are recorded fifty-two weeks of the year right through; many times those air checks are not even listened to. It is an example which exists today, right now, where the C.B.C. by not having the most modern equipment available in Toronto, whether it be due to lack of budget or anything else; is spending a lot of money unnecessarily. There can be no argument against the quality of tape recordings, no argument whatsoever, because the C.B.C. itself uses tape recordings on the program "What's Your Beef?", yet, tape recordings are not used on any other program. I estimate that from my own knowledge of C.B.C. recording operations over the past five years that somewhere between \$15,000 and \$20,000 a year could be saved in the recording room alone, merely by using tape recordings.

Mr. FULTON: Does that apply to the Toronto station alone?

The WITNESS: That applies to Toronto alone. What is being done in other centres, I do not know.

By the Chairman:

Q. Now, may I summarize this in a few words: your example of wastage in the recording room is of two kinds, first, you say that discs are used for recording, and they can be used on both sides but they are not customarily so used. That is your first proposition?—A. That is correct.

Q. And by not using the second side of the disc there is a wastage which need not be?—A. That is quite correct.

Q. And secondly, that discs could in large measure be done away with entirely in favour of the tape recorders which, once you have them, are cheaper to use?—A. That is quite correct.

Q. That is the nature of your complaint here now?—A. That is correct.

Q. And with reference to the loss that results from not using the second side of discs you said, I think, this: that there were probably forty or fifty of these discs used in a day?—A. That is quite correct.

Q. Is that right?—A. Yes.

Q. And the cost of a 12-inch disc I think you said was—A. —about \$1.65, and the cost of the 16-inch disc I believe to the C.B.C. is \$2.65. I may be wrong but it is within a few cents of that.

Q. And, secondly, you would have us understand that the wastage you are describing, talking about one disc, is about one-half of this cost?—A. That would be quite correct.

Q. I do not think you said it should probably be multiplied by forty or fifty, the number used, but by a large percentage of that number?—A. A large percentage of that number, yes.

Q. You do not desire us to understand that no discs are used on the reverse side, but you do desire us to understand that most of them are only used on one side. Is that a summary of your evidence?—A. That is quite correct, yes, particularly with reference to 16-inch discs. There is more wastage with 16-inch discs than there is with 12-inch discs.

Q. In other words, there is a little bit more of recording on both sides with the 12-incher than there is with the 16-incher?—A. That is quite correct.

Q. Mainly with regard to News Roundup. And then the other thing you mentioned with regard to tape recording: we can use the tape for recording, wipe it off afterwards and use it over again, and your proposition there is that

recordings should be made on tape and that if there is something which we desire to record permanently, we should take it off the tape onto a disc and that would result in saving money?—A. That is quite correct.

Q. And all that is necessary in order to effect that saving is a capital outlay for the tape recorder?—A. Well, that capital outlay has already been made.

Q. Excuse me, I was not asking whether it had or had not been made, but you would say that all that is necessary to make the saving is to make a capital outlay?—A. That is correct.

Q. Did you tell us then that the capital outlay has already been made for the tape recorders which are not being used?—A. There are probably five or six tape recorders in Toronto and the amount of use they get is almost negligible.

Q. Well, that then is your evidence respecting wastage in the recording room?—A. That is correct.

Q. I just wanted to get it summarized in that fashion for the convenience of the committee and the record.

By Mr. Riley:

Q. You say, Mr. Aldred, that most of the discs used daily, approximately fifty discs per day, are only used on one side?—A. That is right.

Q. And then what happens to them?—A. Well, if they are air checks they may be filed for a period of some months and then classified as scrap and sold to disc manufacturers or people that are buying scrap aluminum. The old wax is then taken off and the aluminum is used again.

Q. You say the most of them. What percentage would you say were only used on one side?—A. Perhaps of the 16-inch discs, 75 per cent.

Q. And you are stating this as a fact?—A. I am stating from my knowledge of their operations, yes.

Q. Now, as to the disposal of those discs which are only used on one side, have you definite knowledge of this?—A. I have definite knowledge, yes.

Q. How did you acquire that definite knowledge?—A. By talking to a man who had bought some.

Q. And who was this man, Mr. Aldred?—A. He is a member of the C.B.C. staff.

Q. How many had he purchased?

The CHAIRMAN: Who is the man?

Mr. LANGLOIS: We must have the name.

The WITNESS: I beg your pardon.

The CHAIRMAN: Who is the man?

The WITNESS: The man's name is Mr. Tulk.

The CHAIRMAN: Mr. Tulk.

Mr. RILEY: How many had he purchased, Mr. Aldred?

The WITNESS: I have no idea.

Mr. RICHARD: Are those used discs or new discs?

Mr. RILEY: Is this man the only one who purchased them?

By the Chairman:

Q. Excuse me, this is a C.B.C. man who purchased them?—A. He purchased them for his own recording. His wife has a home recording unit and they do a certain amount of recording, and at one time he had an opportunity of buying a certain number of these discs at a very cheap price, whatever the price was I do not know; some of those discs were still usable, others of them, because of their long age, their old age—you must understand that they harden—were unfit for use, because they are too noisy for ordinary recording purposes.

However, if the C.B.C. had used them on the other side within a period of a few months instead of buying new discs those second sides could have been used.

Q. Is it from Mr. Tulk that all your information comes?—A. By no means.

Q. Your information with respect to what Mr. Tulk gives you is that he bought some of these discs only used on one side at a very low price?—A. That is correct.

Q. Continue.

By Mr. Riley:

Q. Have you any further knowledge of these discs being thus disposed of, Mr. Aldred?—A. Well, just what do you mean by that?

Q. You say that you have a definite knowledge, because Mr. Tulk told you that he had bought some; you said you did not know how many he had purchased. Now, I am asking, have you any further knowledge, have you any knowledge from any other sources as to the disposal of these discs used only on one side?—A. Well, it is general knowledge throughout the operating staff.

Q. I am asking for facts, Mr. Aldred, if you do not mind?—A. That is, you would like me to say that somebody else has told me that these discs are being used on one side and sold at scrap rates rather than being used—

The CHAIRMAN: Excuse me, Mr. Riley desires you to say what is your source of information?

The WITNESS: These things are handled through C.B.C. stores and I am trying to think of the names of people who work there. I can only say this, that they are handled through C.B.C. stores and at the time that I was still working at the C.B.C. it came to my knowledge through my being in that department periodically that C.B.C. one-sided discs were being sold for scrap.

By Mr. Riley:

Q. Yet, you are making this statement as a statement of fact without any personal knowledge, is that not right?—A. I am making these statements on the basis of my knowledge of a year and a half—

Q. But to date the only basis for fact, or what you describe as fact, is what Mr. Tulk told you?—A. Well, no, I certainly would not say that. I suppose I could name other members of the engineering staff in Toronto but I do not know all their names.

Q. You have no personal knowledge of this whatsoever? Is that not right?—A. If you put it that way, I refuse to say I have no personal knowledge of it when I feel I have personal knowledge.

Q. But you came here, Mr. Aldred, prepared to give evidence. Let us have that evidence. We are busy here in the House of Commons and particularly with this Radio Committee. We are interested in the things which you proposed to bring before the committee, evidence of which should be based upon fact.—

A. I will leave my evidence as it stands, as it is right at the moment.

Q. Fine. I will ask no more questions.

By Mr. Richard:

Q. Do you know why the C.B.C. or any other radio station uses only one side of the discs in certain cases? Do you not know that?—A. No, you tell me.

Q. I am not a witness. Do you know why?

By the Chairman:

Q. Wait a minute. That response to Mr. Richard was not a proper and polite response.—A. I withdraw that response.

Q. And not only, Mr. Aldred, should you withdraw it, but you should guard very carefully against flippant, impolite answers of that sort. The committee

has, I am sure, been polite with you. I am sure you will say that I have not been unfair in my attitude towards you. Now, an examining council owes a duty to the individual whom he is addressing, and the witness owes an equal duty to the man who is asking the question, and I consider that your response to Mr. Richard was wrongly flippant and provocative at the time. I realize you did not intend it, but I do urge you not to do that sort of thing any more and I am sure you will find that the members of the committee will treat you exactly as they have up to now.—A. Thank you, and if I have offended Mr. Richard, I am sorry.

Q. I regret having to say it but I am sure you would rather have me say it earlier than later.—A. I will answer that. Certainly, single sides are often used for delayed broadcasts. The reverse side may not be used for delayed broadcasting because perspiration on the reverse side will make a disc scratchy, noisy. It is quite true that if the other side of the disc is handled with care that should never happen because every professional operator will handle discs on the edge. Now, I can understand that reverse sides are not used for delayed broadcasts just in case somebody should put a finger print on that reverse side but I cannot say why those reverse sides should not be used for air checks which are not delayed broadcasting but only for internal listening in the C.B.C.

By Mr. Richard:

Q. Even in the case of air checks is there not such a situation as this. One side might be used for air check, and might have to be put away for a certain period and you would not want to put another program on the other side of the disc as long as that disc might be used or usable to air check.—A. Yes, there would be a certain amount of truth in that statement. I would agree with you there.

Q. For example, if you had a program, for instance some soap program that had an air check on one side of the disc they would not expect that same disc the next day would be used for some other program?—A. That is quite right. You would only use a disc for DB that had an air check on one side of it—

The CHAIRMAN: What does the expression "GB" mean?

The WITNESS: Delayed broadcast.

The CHAIRMAN: Oh, I thought it was "God willing" that you were quoting.

The WITNESS: With the 12-inch discs, as a matter of attempting to practise economy in the record room the reverse sides are used for News Roundup—that is a common practice on 12-inch discs. All of them may not be used but some of them certainly are.

Mr. RICHARD: So some discs might have to be put away and not used on the reverse side for some time?

The WITNESS: Yes; for instance if something was being recorded specially for entrance or entry into a competition of some type—for instance the Columbus Ohio awards—there may be some special program the C.B.C. might feel would be worthwhile putting forward, and I can see where that kind of disc would be put away and kept—but certainly not the other discs.

Mr. RICHARD: The fidelity of that kind of disc is lessened with each handling?

The WITNESS: Oh, yes.

Mr. LANGLOIS: The witness has stated that some 50 discs were used in a day in Toronto and he also stated a certain percentage of those discs could not be used on both sides. What was the percentage?

The CHAIRMAN: 'Could' not be used or 'were' not used?

Mr. LANGLOIS: 'Were' not used?

The CHAIRMAN: I rather think the question has been answered.

Mr. LANGLOIS: I was away for about ten minutes.

The CHAIRMAN: Oh, I see. You have stated there is a considerable number of discs which are used on one side when they could be and should be used on both sides. The question is what is the percentage?

The WITNESS: Did I not give that percentage a little while ago?

Mr. RICHARD: 75 per cent.

The WITNESS: Around 75 per cent.

The CHAIRMAN: I think Mr. Langlois has said as his reason for asking the question, that he was absent for a few minutes. Your answer is about 75 per cent?

By Mr. Richard:

Q. Of the 16 inch discs?—A. Yes.

Q. And a smaller percentage of the 12 inch discs?—A. There is a very small percentage of 12 inch discs used. They are mainly used on one program. Practically all records used for recording purposes are 15 and 16 inch because they will hold a 15 minute program on one side.

Q. Now, Mr. Aldred, with regard to the tape, the C.B.C. in Toronto of course does not make use of tape recorded broadcasts?—A. I did not say that. I said the C.B.C. in Toronto is not making as much use of tapes as it could in this respect. I am again using News Roundup as an example. The program has to have ten or twelve items for New Roundup and it could be easily recorded on tape rather than discs. Those items required could be selected and the rest rubbed out. Those reports which are desirable for a particular broadcast could then be put on discs for the program, or it could be fed live right into the transmitter, or into the console of the broadcast station—just as happens on the program "What's your beef?"

Q. That would be a double operation?—A. It would mean not using discs; it would mean using tape.

Q. And recording from the tape on discs in selected cases?—A. In the event that the tape operation was used.

Mr. FULTON: You said you could broadcast direct from the tape?

The WITNESS: That is done, yes.

By the Chairman:

Q. Do you know the difference in cost of recording any given quantity — say 15 minutes or 1 hour, whatever you wish, on tape or on a disc?—A. Well, once the capital cost has been met—

Q. No, I did not include the capital cost?—A. Once the capital cost has been met the tape will last almost indefinitely. Whereas, one side of the disc can only be used once. You can record on the tape which perhaps costs \$5 and it will run half an hour and you can re-record and re-record almost indefinitely on that tape.

Q. You say that the tape is there and not being put to use to the extent that it should be put to use?—A. That is right, sir.

Q. That is another of your complaints with respect to wastage in so far as comparison of tape and disc is concerned?—A. That is right.

Mr. FULTON: May I ask the witness a couple of questions. Do you know, Mr. Aldred, whether any representations were made to the C.B.C. management regarding this waste and suggesting how it could be eliminated?

The WITNESS: That I do not know, and cannot say.

The CHAIRMAN: You never made any yourself?

The WITNESS: No.

Mr. FULTON: Do you know if representations or complaints were made that the tape was not being used for the purpose that you have described and to the extent it should be used?

The WITNESS: At the program conference in 1948 in Toronto I believe Mr. Olding, the operations engineer of the C.B.C., made remarks to the effect that announcers and producers were requesting that tapes be obtained and used owing to the fact that they were being used extensively by private stations. Other than that I know of no submission to general management of that type.

By Mr. Riley:

Q. Were you present when those representations were made?—A. By Mr. Olding?

Q. Yes?—A. No, but I have a copy of the minutes of that meeting.

By Mr. Richard:

Q. Do you know whether the type of recorder they have in use in Toronto is the most modern type of recorder?—A. Certainly it is not the most expensive kind. The kind they are using are Brush Sound Mirrors, which are being used on the "What's Your Beef" program. Apparently reproduction off tape does meet C.B.C. technical requirements.

Q. You do not know what the equipment is; it was not there in 1947?—A. I do not believe it was there in 1947—I believe the equipment was purchased in the latter part of 1948—or in 1949.

Q. After you left?

A. About the time I left the C.B.C., as I recall it, there were one or two Brush machines in the building.

Q. Are you talking about operations occurring since you left the C.B.C.? Do you know what has been going on as far as tape recording at the C.B.C. is concerned today?—A. I would say yes, because of the fact that amongst my sphere of acquaintances in the C.B.C. are practically all of the members of the announce staff whom I meet and talk with every day.

Q. I am going to suggest that you are giving evidence as to what you hear from your friends in the C.B.C., and from others, since you have left the C.B.C.—as far as the tape recorder is concerned?—A. In partial reference.

By Mr. Riley:

Q. Does the same thing hold for the use of the discs at the present time—the disposal of the discs?—A. I have known about the disposal of one-sided discs and the usage of only one side of discs since the period of my employment by the C.B.C.

Q. Have you any knowledge of the use of those 50 discs per day at the present time—that is the 75 per cent of those 50 discs used per day which are only used on one side and subsequently disposed of as scrap?—A. Do I know what programs are being recorded on them?

Q. No, have you any knowledge today of the fact that there are 50 discs being used, in the recording of 75 per cent of which only one side is used and they are subsequently disposed of as scrap?—A. Since I left the C.B.C.?

Q. Yes?—A. No, my answer to that question would be 'no'

By the Chairman:

Q. You have no knowledge as to whether the condition you describe has continued to be the condition after your employment relations were severed?—A. I will be obliged to answer 'no' to that.

Q. And your employment was severed in May?—A. In May of 1949.

Q. You do not know whether the condition that you have described continued to obtain or not?—A. That is a condition to which I certainly have definite knowledge but, when you ask me for instance if somebody came and said to me—

Q. I have not said that. I have only said to you: Have you knowledge as to whether the condition which you have described continued after May of 1949? Now you either have or have not knowledge about this period after May of 1949. That is all my question is?—A. Yes, I have knowledge that the situation still exists.

Q. That is what Mr. Riley has been asking, and I was a trifle surprised at your answer in view of some other answers that you have made?—A. That is quite correct, and then my knowledge from that would come from all members of the announce staff whom I know, and all members of the technical staff whom I know. I have not a complete list of their names.

Mr. RILEY: Give us some of them?

The WITNESS: Well there would be the announce staff.

Mr. FULTON: I do not know whether we want to list the names. The witness says that it comes from his conversation with those on the staff at Toronto. I do not see any necessity for putting a list of those names upon the records of this committee.

The CHAIRMAN: Mr. Riley's question in effect is: "Where did you get your information?"

Mr. FULTON: Yes.

The CHAIRMAN: The answer is given by indicating a group. Mr. Riley's question then is: "Be more specific about the personnel of that group." It may be there is no necessity for it but if Mr. Riley thinks there is, the question is certainly in order. In other words he simply says: "What is the source of your information?"

The WITNESS: What I would gather is that Mr. Riley is indicating to me, if I say my conversations over the past year were with all members of the technical staff whom I know, and I know them all, and with all members of the announce staff whom I know, then he wants me to list the names—which I am quite prepared to do.

The CHAIRMAN: He wants you to say how you came to know what you say you know. If it came to you from persons telling you then I should think he would ask you who are those persons and when did they tell you? That is what I think he should ask you. After all, if a man indicates a source of information it is surely all right to ask him further questions to make more clear the said source.

Mr. GAUTHIER (*Portneuf*): Mr. Riley did not ask for all of the names.

Mr. FULTON: The witness said that it was common knowledge among the staff that he circulates with in Toronto.

The CHAIRMAN: He said it was common knowledge but he also said that he received information from certain persons and it is with reference to that part that Mr. Riley desires to ask a further question. Surely there is nothing wrong with a person desiring to get further information upon a point on which the witness had already given some answer.

By Mr. Riley:

Q. Mr. Aldred has said that he has definite knowledge of this wastage. Now I want to know, as a member of this committee, how he acquired that definite knowledge?—A. I will tell you how I acquired that definite knowledge. During the time since I left the Canadian Broadcasting Corporation I have still maintained my broadcasting activities in a commercial sense there. I have sometimes been there two or three times a day, sometimes four times a day, depending upon the number of programs I have had, and in that course of time I have been constantly in contact with the C.B.C. employees with whom I was very friendly during the time of my employment. To single out any one particular person and say that is the person who gave me the information is putting undue emphasis on that person.

The CHAIRMAN: You are not asked to do that. You are asked for the source, and if you feel that you are being unfair to John Doe after you name him, there is nothing to prevent you also adding other names, Richard Rowe, and so forth.

The WITNESS: I understand you completely.

By Mr. Riley:

Q. You are basing your assertion upon the fact that you talked generally to C.B.C. staff members?—A. That is correct.

Q. Perhaps some members of the C.B.C. staff have not said that. Now, who has said it? Give us a few names.

Mr. HANSELL: Before that question is answered, Mr. Chairman. In your opinion, Mr. Aldred, would the giving of those names of persons prejudice their employment with the C.B.C.?

The WITNESS: Very definitely, yes.

The CHAIRMAN: Just a moment. That is not going to influence the chair one way or the other. The question that is asked is a proper one and what Mr. Aldred's opinion is as to the effect on that individual is the least important thing in the world; his opinion is negligible beyond power to express. This committee will decide what information is to come before us. Mr. Aldred should either give the information that Mr. Riley is asking for or refuse to give it, in which case the matter would be further considered as to what we should do then.

Mr. RILEY: I am going to suggest to Mr. Aldred that he has no definite knowledge of this and ask him to disillusion me.

The WITNESS: Well, you see, let me just say something here for a moment and explain my position—

The CHAIRMAN: Just a moment. I think we might as well make up our minds now as to who are the persons directing this inquiry. The persons directing this inquiry are this committee and as representing them the decision is in me. Now, I rule now that you should give to Mr. Riley the names of the persons who have given you the information which you have stated; that is what you should do without any explanation and argument or anything of that sort at all. The question is quite proper and there is no reason whatever for explanations and argument about it.

The WITNESS: I then will say this that I will not divulge the names of the people who have given me this information.

Mr. RILEY: Then you are leaving—

The CHAIRMAN: Just a moment now. It now becomes necessary to go into this correspondence and ask the committee what will be done about this witness

and the further hearing of him. Mr. Aldred, in answer to a letter by me in which I requested that he give us details before we would decide whether we would hear him, wrote in part as follows:

I wish to emphasize again, as I did in my letter to you of May 31, that the information which I want to bring forward concerns mainly the internal operations of the C.B.C.

Because of the strong "fear complex" which exists within the Toronto C.B.C. staff, it is not my intention to outline in detail the nature of the evidence I wish to present. In the event that after outlining it, the majority of the committee decided not to hear my evidence, there could easily be more pressure put upon Toronto staff not to discuss in any way, C.B.C. affairs. You must remember, that where a monopoly exists in a creative art, it is necessary to stay on the right side of that monopoly, or your means of livelihood can be sharply curtailed.

Broadly speaking, the information I would like to put personally before the committee, will touch upon wage rates, staff turnover, over-staffing, technical inadequacies, program imbalance, TV. To protect certain C.B.C. employees, I am unable to be more specific.

I have said that he wrote to me in part as I have now read to the committee. We discussed that matter in committee and we took from that that Mr. Aldred meant: I cannot be specific in the way of giving you an advance brief unless I know whether I am going to be heard. I do not want to do that sort of thing that you have requested and then be told we are not going to hear you because I will have told too much by way of a brief.

That is the meaning we took from it, and we took likewise the meaning from it that those objections did not apply if he came as a witness, without giving us prior knowledge of the sort of evidence that he intended to present. So, we decided, by motion, we would hear him even though he was not submitting an outline of his evidence in advance and I wrote to him then, telling him when to come and I put this paragraph into my letter. The committee did not tell me to do this.

I feel I should observe to you that you will be expected to answer fully all questions that may be asked even though, for instance, answering might involve supplying names of people. The committee would certainly not wish that you should at any time, for any reason whatsoever, decline to answer any question which you are able to answer. The statements made in this paragraph are made on my own responsibility. I make them because of discussions that occurred in committee.

Now, that is the correspondence that took place on this point between Mr. Aldred and me. We are not, of course, in a position to put a man in jail for contempt of court if he does not answer questions even if we would be so hardhearted to even think of doing so, but we are in a position to say that if a witness will not answer fully all proper questions that there is not any use listening to him at all and as far as I am concerned as chairman, I would certainly rule if Mr. Aldred refuses to answer questions that are proper questions that we might as well say good-bye to Mr. Aldred now.

Now, that is the ruling I would give unless the committee feels otherwise.

Mr. LANGLOIS: The draft of your letter, Mr. Chairman, was also submitted to the committee and approved of before it was sent to Mr. Aldred, and Mr. Aldred received that letter and agreed to come here under the conditions outlined in this letter and I do not think he can say today "I refuse to answer". I was one of the members who brought this thing up and I made it clear at the time that we want Mr. Aldred here under the condition that he will answer all questions within his knowledge, and I think that he has agreed to come before the committee under those conditions.

Mr. RILEY: Mr. Chairman—

The CHAIRMAN: It is just about adjournment time.

Mr. RILEY: If you will permit me, Mr. Chairman; if Mr. Aldred will consent to answer a few more questions I think we might dispose of this matter very quickly.

Mr. HANSELL: The witness did not refuse to answer.

The CHAIRMAN: I cannot agree with you. Mr. Aldred has been asked a question and he says, "I will not answer it."

Mr. HANSELL: He says he will not give the names.

The WITNESS: I said I will give all names on the engineering staff and the announce staff. I have not got a list of their names. I can write out a list of them, but I refuse to point out any one that I remember.

By the Chairman:

Q. That is not the dispute. The dispute is whether or not you will answer questions that you can answer. There is not any suggestion that you should answer questions which you are unable to answer. There is not any suggestion of that. The time that I broke in—I admit I spoke rather forcefully—was when you said you would not answer. Now, I never said anything in the way of declaring a possible ruling until you said that you would not answer, not that you could not answer.—A. I beg your pardon, I can answer, and that is the point.

Q. Let me repeat: I broke in at the time you said you would not answer, not that you could not answer. I do not object at all to your saying I cannot answer but I do object to your saying I will not answer.

Mr. LANGLOIS: Yes.

The WITNESS: I cannot answer that question with regard to who the particular individuals were that supplied this little bit of information and that little bit and this little bit and that little bit over a period of three, four or five years, certainly not.

By the Chairman:

Q. I think that is very reasonable.—A. And for me to try to pull names out of the hat amongst the people I know at the C.B.C. would be to place undue emphasis on them.

Q. It is for the committee to decide whether it is undue emphasis or not. If you are asked to outline what one man said to you it is not proper for you to say, "I do not wish to mention this one person" when there might have been a lot of other people too. That is not for you, that is for the committee to decide.—A. If it pleases the committee, then, I will list the complete names of the engineering and announce staff with whom I have carried on conversations along these lines over a period of years.

Q. I do not think Mr. Riley has even asked you that. He has asked you for information as to the names which you say you have—

Mr. RILEY: And which he placed on record.

Mr. FULTON: Is not what Mr. Aldred is saying, Mr. Chairman this: if you want me to answer the questions as to who gave me the information the only way I can do it is by listing the complete technical or engineering and announce staff. That is what the witness said: that is the only way I can answer the question.

By the Chairman:

Q. Is that statement of Mr. Fulton's a summary of what you said, Mr. Aldred?—A. It is. I said that four or five men—

Q. Very well then. Mr. Riley asked you to give us the names of the persons who have given you the information which you have given the committee. Please do so.

Mr. RILEY: Since he left the employ or since he was dismissed from the employ of the C.B.C.—

The CHAIRMAN: Yes, of course.

Now, Mr. Aldred is starting to write apparently with a view to recalling names. It has reached one o'clock. Mr. Stewart passed me a note asking whether it might be possible to sit at 2:30 this afternoon rather than a different hour. What is your pleasure about this afternoon's sitting?

Agreed.

We will meet again at 2:30 this afternoon. I would say this, that the committee will, in just a moment, adjourn to meet at 2:30 and that will give to the witness an opportunity of gathering in his mind the names that he wishes to disclose to Mr. Riley.

The committee adjourned.

AFTERNOON SESSION

WEDNESDAY, June 14, 1950.

The committee resumed at 2.30 p.m.

The CHAIRMAN: We have a quorum gentlemen.

Mr. Riley was asking a question and I believe that Mr. Aldred is probably prepared to answer it.

Mr. Joel Aldred, called:

Mr. FULTON: Mr. Chairman, I was thinking that over and I wonder, so that we might be perfectly clear, whether I can ask Mr. Riley if the import of his question is this: you have asked Mr. Aldred not to tell you how many people, or whether any people, alleged that there was wastage, but you simply ask how many people or the names of the people with whom he had discussed the procedure with respect to this tape? Is that the question?

The CHAIRMAN: I think the question is clear enough now. Mr. Riley asked the witness for the source of his information, the witness having already stated it was hearsay, so Mr. Riley asked the source. That involved, the witness then said, certain employees. Mr. Riley's next question was: "Who are they?" It is all clear enough.

Mr. FULTON: Yes, but it is the implication of the question. As I understand it information means not information as to his allegations of waste, but merely information as to the practice in C.B.C. Toronto.

The CHAIRMAN: The witness had described what he knew himself, he said. And he was asked then whether or not that condition continued after he left the employ of C.B.C. and he said 'yes'; and he further asserted that last statement was not made of his own personal knowledge but from certain sources of information. That led to the further question which I described a moment ago—the asking of the names of people who had supplied him with the information. It is all clear; there are no implications beyond the questions themselves.

Mr. SMITH (*Calgary West*): Mr. Chairman, in view of the fact that I was unavoidably absent this morning, a victim of the newspaper shipwreck, and I spent the time in the Manoir Richelieu—and I might say it was the best shipwreck I was ever in—have you already decided to accept hearsay evidence?

The CHAIRMAN: The witness has made quite a number of statements which he said were statements of hearsay and they have been accepted, and he now is asked for the source of the information. I realize, as you do, that hearsay evidence is not usually good—not very often of any value—but, in the circumstances, the witness indicated quite early that a good deal of his evidence was opinionative and a good deal of it was hearsay. Well, here he was; he had come all the way from Toronto—

Mr. SMITH: I am not complaining; I am merely trying to get the basis of his evidence.

The CHAIRMAN: And so it has developed that a very great deal of the evidence of the witness is given as a result of knowledge acquired from information.

Mr. SMITH: Well, we constantly do that; I am not objecting.

The CHAIRMAN: We have to do that a good deal more in committees than you do in court.

Mr. SMITH: I merely wanted to get the history of what we were doing.

Mr. RILEY: Despite the fact that we all accept the fact that Mr. Aldred's evidence has been hearsay—and I believe he accepts that himself—nevertheless, he subsequently made statements to the effect that his knowledge of what we had previously determined to be hearsay evidence was definite knowledge that he had, and I believe that he still believes that he has definite knowledge, and I think it is because he believes that and because of the fact that he may feel that he has not a proper hearing if he is not believed in this evidence, that we should bring it all out.

The CHAIRMAN: Your question is quite in order.

Mr. SMITH: I am in agreement with you. I am not arguing.

The CHAIRMAN: All right. Your question now, as I recall it was: from whom did you get the information which you have given to us? That was your question.

The WITNESS: In part, this information was received from these members of the technical staff and these members of the announce staff: Mr. Ewing, Mr. Hawkins, Mr. Anderson, Mr. McDonald, Mr. Jones, Mr. John Hawkins—

By the Chairman:

Q. One is called "Mr. Hawkins" and the other is differentiated from him by the name "John"?—A. Mr. Frost, Mr. Edwards, Mr. Wright, Mr. Penny, Mr. Ireland, Mr. Kennedy, Mr. Barelay, Mr. Westlake, Mr. Ferry, Mr. Smith, Mr. Armstrong, Mr. White, Mr. Bacon.

On the announce staff: Mr. Simms, Mr. Whittaker, Mr. Mott, Mr. Ray, Mr. Glover, Mr. McPhee, Mr. Manus, Mr. Ferguson, Mr. Herbert, Mr. Smith—

Q. Just a second there. You named a Mr. Smith, and now you are naming another.—A. This is on the announce staff.

Q. The other one was on the other staff?—A. Yes.

Q. Well, that differentiates them. You have always got to be careful differentiating the Smiths.

Mr. SMITH: As long as I am excluded.

The WITNESS:— Mr. Murray, and Mr. Holly. That will be a partial list.

By the Chairman:

Q. Let us try to get this clearly. You describe, you say, a condition, in which you said that discs were used only on one side when they might be used on two and that eventually they were disposed of for scrap, and you said that that was the condition while you were employed.—A. That is right.

Q. And then you said that that was the condition after you terminated your employment?—A. That is right.

Q. And then it became clear that with reference to the second of these periods your knowledge was all hearsay, and you say now, that from each of the persons that you had named the information has come to you?—A. Over a period of time that this information has been discussed by these people.

Q. How long a period of time?—A. Over a period of time of four or five years.

Q. Well, how can you have it given to you over a period of four or five years when it only relates to the time since you terminated your employment which is less than four or five years?—A. That is quite correct but this situation is not a new one.

Q. Excuse me, though, you are only dealing with the period after you terminated your employment? I understood you to say that as to the period before you terminated your employment you knew it of your own knowledge and that after you terminated your employment your knowledge was of hearsay. Am I right about that?—A. I do not think you are right about it.

Q. I stand to be corrected. Mr. Riley was certainly only asking you about the period since you ceased your employment because that was the period when it was clear from your own statement that your knowledge was of hearsay, do you not see?—A. Yes, I see what you mean. Let us say that from the end of my employment with the C.B.C. that this knowledge continued to be known to me just as it was known to me before I left the C.B.C. through my contacts with members of the announce staff and members of the engineering staff.

Q. Do you mean that these persons whom you have enumerated gave you information after you left the employ to the effect that a condition of which you knew was still continuing?—A. They might have affirmed that, yes.

Q. But did they?—A. As I say, and as we discussed earlier this morning when discussing this problem once again, in a situation like this which is generally known and has been general knowledge through the staff, it is almost impossible to put your finger on one man and say, "This man here told me on June 19 that such a situation existed."

Q. But you had never been asked any such question. You had only been asked for the source of your information?—A. Which I have given you, sir.

Q. That this was the continuing condition, that is all you were asked. What is the source of your information as to the condition which you describe as continuing? That is all you were asked. Now, then, are you submitting these names as persons who have informed you that the condition which you describe continued.—A. I am submitting this list of names as a list of people with whom at various times before my departure from the C.B.C. this matter has been the subject of common talk, whether it has been in group or whether it has been singly. I was asked before I left here at noon if I would supply the names of people who had supplied me with information so called that this situation still existed which I say of my personal knowledge did exist up to the end of May, 1949.

By Mr. Riley:

Q. This first list which you gave contained the names of members of the engineering staff, is that right?—A. That is correct.

Q. Now, as to the information supplied by individuals whose names you have given us, let us take a few of them at random; did you obtain any of this information from Mr. Whittaker?—A. I do recall being in conversation, perhaps with a group of people of whom Mr. Whittaker would be a member. We are right back where we were before.

The CHAIRMAN: If we are back there it is because you insist on going back there. Mr. Riley's question was: was Mr. Whittaker one of the people who gave you this information. Now, your answer to that could be surely a short affirmative or negative, or that you do not know.

The WITNESS: Let me put it this way then, I do not know.

Mr. RILEY: Good. Did Mr. Ferguson give you any of this information?

The WITNESS: That I do not know.

Mr. SMITH (*Calgary West*): With great respect, Mr. Chairman, I submit that what you have done is to try to confine this witness to an almost impossible situation. Obviously, all of these conversations have been going on over a period of years, and all the witness could reasonably be asked to do would be give his best recollection and I think that is what this witness is trying to do.

The CHAIRMAN: The question as asked is not such as you describe it either, Mr. Smith. First of all, it was not related over a period of years but only since the time this gentleman ceased his employment. Secondly, he has not been asked for any dates, he has only been asked whether certain information was given him, not what the information was. Now, that is not confining the witness very greatly at all. That is the question exactly as it was put.

Mr. FULTON: Do you recall earlier that this was said, that the only way he could answer the question would be to list all those people with whom he had had these general conversations. He said that was the only way that he could answer your question.

The CHAIRMAN: Yes, and then Mr. Riley says: did this one give you any information.

Mr. FULTON: He has already told us.

Mr. SMITH (*Calgary West*): If we are just going to reverse what is already on the record it seems to me that it is going to be an awful waste of time.

The CHAIRMAN: There is no doubt in my mind at all about the question being in order. I have said so three or four times and if necessary I am prepared to rule that way. Of course, I am in your hands, but if I were required to make a ruling that is my view.

Mr. LANGLOIS: It is all hearsay evidence, there is no getting away from that.

The CHAIRMAN: Now, Mr. Riley, you asked about one name and the answer was, "I don't know". So that answer is complete.

Mr. RILEY: I asked about three names.

The CHAIRMAN: I mean the last question, you got your answer.

By Mr. Riley:

Q. Now, did Mr. Sims give you any of these names?—A. Do you want to go right down the list?

Q. Yes.—A. In view of the tack that has been taken on this, particularly, I must say that I misunderstood what you were driving at before 1 o'clock, and I shall rest on what I have said as of the termination of my employ on May 31. I then say that the knowledge which I have at the present time has been gained

purely from hearsay through my contact with C.B.C. employees. How many of those C.B.C. employees I have talked to concerning this particular situation since the end of my employment I cannot truthfully say. It might have been any number of them. If you wish to say that I cannot answer that question since the termination of my employment on May 31, 1949, then that is the way it will have to be. I say once again since the termination of my employment a little over a year ago, how can I particularize on a situation which exists in connection with a great number of employees.

Q. Do you still maintain that your knowledge is definite?—A. I maintain that my knowledge is definite without putting the finger on any particular employee who might have given me information as of May 31, 1949.

Q. Are you ready to point out anybody in the announce staff who did not give you this information, I mean any of the announce staff which you have listed here who did give you information?—A. No, not necessarily because it is a matter of common knowledge.

Q. Then what about the engineering staff?—A. It is common knowledge there also.

Q. You still maintain that your knowledge is definite but you are not able to point out your source of knowledge?—A. That is correct.

By the Chairman:

Q. You cannot name any one person with whom you had conversation who informed you of the information that you have given us?—A. That is quite correct.

Q. You cannot pick out one person and say that you had knowledge from him?

Mr. LANGLOIS: I think, therefore, if the witness is going to take this attitude he should confine his answers to facts of which he has personal knowledge. I do not think we should admit into the record his evidence when we cannot even find out the source of his evidence. The person who informed Mr. Aldred might also be a person who had gained that knowledge himself from hearsay evidence or from other sources. We do not know where we are going. I do not think we should carry on. We are wasting our time here and Mr. Aldred should be asked to confine his answers to what he knows.

The CHAIRMAN: I would like to comment. We have spent quite a little bit of time on the question of wastage relating to the improper use of cylinders and the non-use of tapes. I wonder if we might move to some other point?

Mr. STEWART: I would like to ask one or two questions about this, Mr. Chairman.

The CHAIRMAN: At the moment I think Mr. Riley was indicating that he had another question. So he will come first.

By Mr. Riley:

Q. This morning you gave us a verbatim account of a conversation which you had with Mr. Bushnell.—A. It was hardly a conversation.

Q. Then a statement which was made by him?—A. A statement made by him concerning remarks which I made at a meeting, yes.

Q. When was that statement made?—A. That would be some time in 1947. I cannot tell you the exact date of it.

Q. You were able to remember the words of that conversation or statement exactly as it was made in your presence?—A. Yes.

Q. But, you are not able to remember anything that was said in connection with it?

Mr. SMITH (*Calgary West*): The witness says "yes". I think he is entitled to give his reasons for saying "yes".

The CHAIRMAN: No.

Mr. SMITH (*Calgary West*): And why not?

The CHAIRMAN: Because he answered the question completely when he said "yes". Mr. Riley is not questioning that the witness has remembered correctly. If Mr. Riley were to press him as to whether he was certain of the recollection, this witness could verify his statement; but there is no disagreement between counsel and witness on the point. He says "I remember it well". I think Mr. Riley is of the same belief that he does remember it well. That is accepted. There is no reason why he should verify a simple affirmative statement.

Mr. SMITH (*Calgary West*): Yes, there is every reason to do it if he wants to do it.

The CHAIRMAN: Oh, no.

Mr. SMITH (*Calgary West*): Certainly under any rules or according to any books that you or I ever read.

The CHAIRMAN: That is ridiculous! Quite ridiculous!

Mr. SMITH (*Calgary West*): This ridiculousness is mutual between you and me.

The CHAIRMAN: All right. I shall let it rest there. My ruling is that the question has been quite sufficiently answered when the witness said "yes".

Mr. SMITH (*Calgary West*): Then I accept your ruling.

The CHAIRMAN: Your next question.

Mr. RILEY: I have no further questions, Mr. Chairman.

By Mr. Stewart:

Q. Does Mr. Aldred know where the corporation bought its discs, from what firms?—A. The major suppliers of recording blanks are Presto Manufacturing Company and Audio Manufacturing Company.

Q. Does the witness know if they were bought under any guarantee as to quality?—A. There are different qualities of records, just as you can buy different qualities of goods. Records can be made for a purpose. There are such things as reference discs which supposedly have not the same high quality of perhaps higher quality records.

Q. Is it possible that these discs might be bought in such a way that one side of the disc was guaranteed to give good reproduction while the other side was not guaranteed?—A. I would doubt that very much.

Q. You think that both sides would be equally usable and playable?—A. That is quite right. There is, of course, the possibility of inferior records being turned out with manufacturing flaws, and those discs conceivably could be sold which would be only good on one side. But normally when you buy any kind of first quality recording—and in the case of discs used by transcription agencies, the disc is serviceable on both sides. Of course, it might be possible to pick up a bargain hundred somewhere, but that would not enter into this situation at all.

The CHAIRMAN: No, I do not think they have that in mind. Is there anything else on this particular subject of waste?

By Mr. Gauthier (Sudbury):

Q. Are all the employees whom you listed here this afternoon still employees of the C.B.C.?—A. Yes, with the exception, I think, of one, a Mr. Jones, who I believe has left the employ of the engineering staff of the C.B.C.

Mr. LANGLOIS: Some of these employees must also have voiced their grievances to the executive of the staff?

The CHAIRMAN: He is not dealing with any question of grievances in this matter of discs. There were grievances referred to earlier when talking about personnel turn-over.

Mr. LANGLOIS: There was a statement by the witness that he was fired because he had voiced grievances. Apparently he is not the only one, and there are others who are still in the employ of the C.B.C.

Mr. FLEMING: That was on a different question.

Mr. LANGLOIS: His statement was not qualified whatsoever, when he made it this morning.

Mr. FLEMING: That was mentioned in connection with this other subject, namely, staff. And that led the witness to speak about information which had come to him as a result of being on the staff executive. I do not think it has anything to do with this subject of discs.

Mr. LANGLOIS: I remember the statement that he made this morning.

By the Chairman:

Q. Would you care to pass on now to something else?—A. Certainly.

Q. Are there any other cases of waste? You used the expression, I think, that you and your friends in the C.B.C. were "appalled at the wastage which exists". You have dealt with waste from two aspects; are there any other waste comments?—A. Yes. There is a situation which seemingly has not been mentioned in the Massey Commission Report.

Q. There is no Massey Commission Report.—A. I mean in the C.B.C. submission to the Massey Commission, excuse me.

Q. Yes.—A. And I would like to bring forward the matter of station CJBC.

Q. Where is station CJBC?—A. Toronto.

Mr. FLEMING: CJBC is the foundation station of the Dominion Network.

By the Chairman:

Q. Of course, we have heard of it so often.—A. It is one of two C.B.C. owned stations in Toronto. Station CJBC under its call letters, or possibly the call letters of CBY has operated since some time before the war or around the beginning of the war. However, that is beside the point.

By 1947 apparently, according to the radio measurements set up, station CJBC did not have any kind of a share of the audience in Toronto. So it was decided that some kind of promotion should be done on CJBC. That promotion idea came about since the last parliamentary committee and I have seen no reference to it since that time. That brings me to several points which I shall amplify later.

Q. You mean some kind of program engineering to promote greater use of that station? Is that what you mean?—A. No. I mean that promotion was set up by hiring a man to come in and try to liven-up the station somehow and change its programming around in order, apparently, to attract more listeners.

Q. You mean sort of an efficiency expert. Would that be fair?—A. No, that would not be it at all. So when this decision apparently was taken, a little-known radio announcer in Toronto named Kesten was hired as manager of CJBC which, up to that time, had been managed by Mr. Walker, the manager of the Dominion Network. That promotion lasted for a period of 18 months, until I believe early in 1949. It was extremely bad as far as staff morale was concerned and it was extremely expensive as far as the C.B.C. was concerned. This man we hired on a temporary basis to conduct the operations of radio station CJBC, to my knowledge, with a renewable six month contract

which ran for 18 months before he was let go. I believe that in the minutes of the 1947 parliamentary committee there is some reference to the fact that Mr. Kesten had been employed and that something was being done to increase the listenership of station CJBC. The C.B.C. by this new operation took control of station CJBC away from its former manager, Mr. Walker, and they then engaged a commercial radio representative company to represent that station commercially to sponsors. This took the handling of CJBC's commercial business away from the C.B.C.'s commercial department which was set up to handle that very thing. To me it seemed a very very bad piece of business for this reason: I know that the C.B.C. hired a man who had had very little if any experience in promoting a radio station in order to increase the listenership; and they also gave him the opportunity of appearing on radio programs on a fee basis and of writing the radio program on a fee basis. They gave him the opportunity of putting himself on his own station, which was CJBC, for fees. In other words, he could give himself a job on the station at any time that he wanted to do so, and not only would he collect narration fees or announcer fees, on a free-lance basis, but he would also be paid for his script on a free-lance basis. The net result of this type of promotion was that it was necessary to appoint an assistant manager of station CJBC a man named McGaul; and a separate staff was set up for CJBC, which staff seemed to become a completely separate unit from the C.B.C. as it had been before. The station was operated along the lines of a private radio station with bloc programming which was brought in.

By the Chairman:

Q. What is bloc programming?—A. That means three or four hours a day would be given over to the playing of popular music.

Q. You mean the blocking out of time for a particular type of program? Is that the thought?—A. That is right, along the lines of such programs as "Make Believe Ballroom", and things of that nature; programs which were broken up into fifteen minute segments. When the C.B.C. did that, they immediately went into competition with private radio stations in Toronto.

Q. Excuse me. I have no objection to your presenting something in the way of criticisms about competition with private stations. But I want to recall to you that you are relating your evidence just now to your charge of waste.—A. That is right.

Q. And you are bearing that in mind?—A. That is right.

Q. That is the point that you are making. Is that correct?—A. That is right.

Q. Very well.—A. The reason why this man was hired was that the station would be run along the line of a private station and local advertising would be taken. It was and it still is being taken. But I have failed to see in the Massey Commission Report any reference to the net result of this year and one half of promotion, in view of the amount of money which must have been spent in order to change this operation around.

Q. You mean that you realize that a great deal of money must have been spent in relation to the promotion job?—A. That is right.

Q. And you have not seen any report as to the degree of success or failure of it?—A. Or as to the amount of money that it cost.

Q. You know neither the expenditure nor its results?—A. No.

Q. You have come here to give evidence of waste and you are only saying that you have not seen certain things?—A. That is right.

Q. It may be that any person could make that criticism. You may be quite right.—A. Yes.

Q. Your point is that there is certain waste.—A. That is right. The wastage to my mind was this: why was it necessary to change the operation of radio

station CJBC from its former operation into this new operation which is designed along the line of a private station, and to hire virtually a new staff to do it?

Mr. LANGLOIS: Mr. Chairman?

The CHAIRMAN: Please let the witness finish his sentence.

The WITNESS: Additional money was spent which in my mind was wasted; and the fact that the C.B.C. with a complete line-up of radio announcers then went out and hired other announcers at free-lance wages to carry on jobs which could easily have been done by the present C.B.C. staff, to my mind constitutes wastage.

By the Chairman:

Q. I would like to make this comment to you. I think you are not giving us any factual material beyond what we already know. The matter of that promotion has come up before the committee on a previous occasion. Of course, there may be some information which the committee has not got even yet, although you are not giving us any information. You are expressing opinions on the wisdom or otherwise of that managerial decision. But that is not the sort of evidence for which this committee agreed to hear you today; and unless you can get down to cases and give us some facts about what was lost or about what might have been gained by some other course, unless you can make it factual, I think you should discontinue that line of evidence, because it is not evidence at all.

Mr. LANGLOIS: Are we to understand that the only reason why the witness says there was wastage is because he admits that he did not know why it was done that way? Apparently that is the only conclusion?

The CHAIRMAN: That would be a summation of what has been said. The witness feels that there has been wastage simply because he does not understand how much was spent. He does not understand how much was gained. In fact it comes down pretty well to an opinion that it almost certainly was waste.

Mr. LANGLOIS: I think he also said that he did not know why it was done in that manner.

By the Chairman:

Q. I think you had better turn to something else. Have you any other example of wastage?—A. I shall leave that topic immediately for certain reasons. I would like now to turn to one other thing and then I shall cease to take up your time here in this committee.

Q. Are you going to deal with further examples of waste?—A. No. I would like to go on to what I have put down in my letter to you as programming imbalance.

Q. Wait a second. Your friends within the C.B.C., you say, are "appalled at the wastage which exists within the organization, . . .". You have given your point of evidence in support of that statement. Is that correct?—A. Yes, that is correct.

Q. "The internal operations of the C.B.C. should be carefully scrutinized by parliament, before any further expansion is contemplated in radio or television.

We feel that the C.B.C. Massey Commission Report, and the C.B.C. report to your committee to date, is dangerously sketchy, and in places, inaccurate."

I believe when you speak of "report", you really mean submission?—A. Yes, that is correct.

Q. Would you first of all tell us in what respects the C.B.C. submission to the Massey Commission, and to this body, this committee, is inaccurate?

—A. To my mind—

Mr. SMITH (*Calgary West*): Before you go on, strange as it may seem, I want to agree with you. I can easily see where we are heading. Mr. Aldred comes here and I imagine what he has is a very sketchy account of what station CJBC was doing. But we knew about it before. Some of us knew about it. Was not that the one where they distributed matches?

The CHAIRMAN: I think it was suggested that they should distribute champagne.

Mr. SMITH (*Calgary West*): If anybody is to be blamed it is this committee—not this one, but the last committee which we had—because we had the C.B.C. officials here and we had an opportunity to go into that matter, but we may have decided not to do so. However, that is our responsibility and I agree with you that it won't do any good to have the witness come here to deal with something which we already had a full opportunity to deal with ourselves, and for him to say whether or not in his opinion, based on practical facts, it is a loss or a gain. I think perhaps we are wasting our time. It may not be his fault. I am not blaming him. It is probably ours. We had all this but we did not take it up.

By the Chairman:

Q. I think it would be right to say that is what the witness had in mind when he referred to the reports. He calls them reports, but he agrees that he refers to the submissions as being sketchy.—A. That is right.

Q. That is indicated in the support of his statement in this letter. I now ask him whether he will point out inaccuracies in reference to the statement he has made.

Mr. SMITH (*Calgary West*): I am in agreement with you. If anything was to be done about the evidence before the Massey Commission, it should have gone there and not here. We are trying not to interfere any more than we can help with what that committee may find.

By the Chairman:

Q. Can you tell us about the inaccuracies in the submission?—A. I refer to one on page 1.

The primary job of the C.B.C. is to continue to develop a radio system which is Canadian in scope and content of programming, and which is predominantly Canadian in character. At the present time approximately 83 per cent of all programs carried on C.B.C. networks and stations are Canadian in origin.

I have seen that 83 per cent figure used many times as the basis for describing the C.B.C. operations and their presenting Canadian talent in front of the general Canadian listening public. Now I personally examined the broadcast log of those two stations, CJBC and CBL, in Toronto to see if I could determine how that relationship of 80 to 83 per cent applied in the Toronto area, where there are two C.B.C. owned stations.

Now, both of those stations broadcast for 118 hours a week approximately. For the week of June 8 to June 14 in 1949, according to my examination of the broadcast log, that broadcasting included less than 16 hours of purely non-commercial Canadian talent, including studio broadcast programs, church services, symphony orchestras, and so on. There was an additional 4½ hours of commercial broadcasting of the Canadian type including Canadian talent which gives a total, out of the week, of something around 20 hours on the key stations of the Dominion network.

For station CBL over the same period of time, I found that CBL showed about 42 hours of pure Canadian talent, and 6¼ hours of Canadian commercial talent.

Going ahead to the week of January 20 to January 26, 1950, my investigation of broadcasting logs showed just under 19 hours in that week for CJBC for non-Canadian talent, and 5½ hours for commercial.

As to the number of stations with 83 per cent of programming which is all Canadian in origin and content, my figures on these two C.B.C. station in Toronto show that on CJBC we are getting about 20 per cent Canadian talent or content and about 45 per cent on CBL. The only way that C.B.C. can arrive at that figure, I presume, and get it up to 83 per cent is that in some areas there must be a greater number of Canadian talent and information being broadcast, in order to bring that figure up to 83 per cent, or by including in it all their record shows as being shows of Canadian origin.

By the Chairman:

Q. That has nothing to do with the question of inaccuracy in their submission. Does their submission say that they do it differently from somebody else?—A. No, it does not.

Q. The point of the submission now is that it is in places dangerously inaccurate?—A. That is right.

Q. And that is one of them?—A. This is one that I am going to talk about for the moment.

Q. Just a moment. Let us get the facts first. You have said that is one which is dangerously inaccurate. You have told us that their statement is dangerously inaccurate in saying that the percentage of Canadian talent is so and so while in fact it is something different?—A. Yes.

Q. Is there some other inaccuracy which you can point out?—A. What I do not see—

Q. We can enlarge on it afterwards, if the members wish. But let us get the facts down first. Is there some other inaccuracy that you can point out?—A. In the C.B.C.?

Q. Well, your own statement is that the report, as you call it, but you really mean submission, is dangerously sketchy. We have dealt with it. Are there any other inaccurate places? I have used the adverb as applying to both of these adjectives.—A. I shall take the “s” out, and singularize it.

Q. Your sole case with reference to inaccuracy is that they have over-stated the amount of Canadian talent shown?—A. That is right.

Q. I think you would agree, would you not, that the word “dangerously” is rather recklessly applied?—A. It may be recklessly applied.

Q. By you, in your letter?—A. Yes, not necessarily, no.

Q. Just as you like.—A. Perhaps the word is strong. I pointed out what I understood was a sketchiness. But I did not say it was in relation to the report. That was a matter which was of prime importance to the C.B.C. during the period of 18 months.

Q. If you think that your rhetoric in this respect is all right, that is your decision.

Mr. FLEMING: It is not an adverb.

The CHAIRMAN: “dangerously inaccurate”? Does not an adverb modify an adjective? “Dangerously” is an adverb.

Mr. FLEMING: I quite agree.

Mr. SMITH (*Calgary West*): A couple of you men should get jobs on the C.B.C.

The CHAIRMAN: I understand that one of those fellows on the C.B.C. is very dissatisfied, and Fleming and I are competing to get his job.

By Mr. Langlois:

Q. The witness will no doubt admit that in their submissions the C.B.C. was dealing with all their stations in Canada, not alone with the two he

mentioned. He will admit that?—A. I recall what the chairman mentioned a while ago about using an example and projecting that example forward. This is an exact parallel of that situation.

The CHAIRMAN: I think it is fair to say that he did point that out himself, that the submission did refer to all Canada, and that he had examined Toronto and found Toronto to be radically different from all of Canada.

Mr. MURRAY: He is perfectly honest about that.

The CHAIRMAN: And then he went on to say that if they can bring up the average to the rest of Canada they will have to use a very great deal of Canadian talent.

Mr. LANGLOIS: I wanted to stress that point. That is all.

By the Chairman:

Q. I think your question was quite in order.—A. The other thing which I wish to mention—

Q. With reference to this inaccuracy?—A. That is right; and I think in fairness to the English and French networks there is no relationship given so far as I can see in the report which states how much time is given on the English network as compared with the French network to the broadcasting of Canadian talent, Canadian news, or broadcasts which are Canadian in scope.

Q. You feel that that should be given?—A. I do.

Q. To the committee?—A. Yes.

Q. Can you give it?—A. I could not, no.

Q. Your real complaint is that the C.B.C. should have said something with reference to this, whereas they have not?—A. That is right.

Q. Do you know whether it was elicited by questioning?

Mr. SMITH (*Calgary West*): You mean the commission, do you not?

By the Chairman:

Q. You were talking about the commission?—A. That is right.

Q. You feel that they should have informed the Massey Commission about it?—A. Concerning the 83 per cent, because I have seen that figure quoted in the newspapers. In the *Ottawa Citizen* only a few weeks ago it was reported that the C.B.C. was supplying in excess of 80 per cent Canadian programming; and I said that in the Toronto area, the only area where the C.B.C. owns two wholly-owned stations, that that figure does not apply.

Q. You made that quite clear before.

By Mr. Langlois:

Q. The statement as it is made might be a general statement but it could still be accurate, if speaking of all their stations in Canada.—A. I am of the opinion after examining the amount of network time that in view of the fact that these are both key stations, and in view of the fact that many of the originations come from Toronto, which is the programming center, there must be a tremendous amount of time and money and so on in other parts of Canada being given over to this type of programming which is not being given in Toronto.

By the Chairman:

Q. This committee has been assembled to hear about inaccuracies in the C.B.C. submission such as you have now detailed to us.—A. That is right.

Q. You say there was an error in Toronto in their statement of Canadian programming?—A. That is right.

Q. That is the whole case with reference to inaccuracy. Is that right?—
A. That is right.

Q. Well, can we pass on to something else?

Mr. SMITH (*Calgary West*): Yes.

By Mr. Fulton:

Q. One point on which a question might be asked in view of some of the other questions is this: does Mr. Aldred know the percentage of programs over the Dominion network which originate at CJBC, and the percentage of the Trans-Canada network programs which originate at CBL?—A. Because it is a production centre of the C.B.C., it is bound to be high.

Q. Therefore you can see no way by which the average for the rest of Canada could bring the C.B.C. statement up to higher than 83 per cent?—A. That is right.

Q. Because most of the programming originates in Toronto where you made your examination?—A. That is right.

By Mr. Stewart:

Q. What percentage of the programs originate in Toronto?—A. I do not know the exact percentage of the programs which originate in Toronto.

Q. I do not know myself, but I do not think that Mr. Fulton's estimate is quite valid, if you do not know.—A. The statement indicates that 83 per cent of the programming originating in stations is Canadian in content and in scope. That is the point I am driving at.

Q. You have no knowledge of the French network?—A. That is quite correct, because no reference has been made to it in the submission to the Massey Commission by the C.B.C.

By Mr. Langlois:

Q. You mean no break-down?—A. That is right.

The CHAIRMAN: Have you anything else, Mr. Aldred?

The WITNESS: That is all I have.

The CHAIRMAN: Mr. Aldred has presented all the evidence that he desires to give, all that he has to suggest to us in support of his letters, so I presume that we can dispense with Mr. Aldred now.

Mr. RILEY: I would like to ask one further question, if I may. You have not referred to television in anything you said here today?

The WITNESS: There is no mention of T.V. and other things because once again I would run into that hearsay problem.

Mr. RILEY: Now, Mr. Chairman, I would like to say something to clear up the main point. Do you consider now, Mr. Aldred, that while you have been here you have had a fair hearing?

The WITNESS: As a matter of fact, the first thing I was going to say when I came in here today was this—it certainly was in my mind—that I felt somehow in my own mind, and I still feel it in my own mind, that there has been a certain degree of marked reluctance to hear anything that I might have to say. I also want to make this point very clear, that it would be quite possible for me to give extremely detailed information, but once again we are going to run into this hearsay question and the question of my naming certain C.B.C. employees specifically, and it is not my intention to do so at the present time or in the future. The result is that I will conclude my remarks right now. I feel that there has been a certain amount of unbending as far as a majority of the members of this committee are concerned, within my own mind. I may be wrong but I feel also that a majority of the members of the committee show a marked attitude of, let us protect the C.B.C. at all cost.

Some Hon. MEMBERS: Oh Oh.

The WITNESS: With that I say goodbye.

The CHAIRMAN: Thank you, Mr. Aldred.

Mr. MURRAY: I think that last remark was most unfair, Mr. Chairman.

The CHAIRMAN: Well, the gentleman has a right to his opinion and I think you have a right to yours.

Mr. GAUTHIER (*Sudbury*): That is a nice wind-up.

Mr. LANGLOIS: That statement is hearsay again.

The CHAIRMAN: I myself feel it is too bad that the evidence cannot be characterized in Rabelaisian language. I think the C.B.C. should be heard at once to rebut, if they wish to rebut, the evidence that has been given. For my part I have the feeling that everybody would be glad for a sort of seventh inning stretch, and if it is agreeable to the committee we will take a ten minute recess.

(The committee took recess resuming at 3:50 p.m.)

On resuming—

The CHAIRMAN: Order, gentlemen. Now that I see we have a quorum the next witnesses will be the C.B.C. replying to Mr. Aldred. I would fancy the best thing to do is to take up the points that were made as far as we can. The first thing the witness said was that there was a wastage as a result of high turnover. Mr. Dunton, you heard the evidence and no doubt made a close note of it; perhaps you could start in and deal with that allegation of the witness, and questions will be put specially to elicit anything you do not cover.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:

The WITNESS: Perhaps it will be best at the outset, Mr. Chairman, if I were to discuss it from an administrative point of view. For some time past the C.B.C. has been explaining to parliamentary committees, royal commissions and others its need for larger amounts of money and calling attention to the shortage in that respect which has existed for some time, and one of the significant facts arising out of that is that our salaries have been for some time much lower than we should liked to have had them, and we have recognized in a general way that salaries in a number of categories should have been much higher, and one of the results of the relatively low salaries that we were forced to pay in some categories was the rather high turnover in our clerical staff in the Toronto area. The management, of course, knew what was going on, and one of the ways of fixing it would have been to increase salaries; but the Board, of course, has to look at the whole picture across Canada. We have been extremely short of money and have been running into a serious situation for several years. We have simply felt that we could not increase salaries to the extent we should like to. Perhaps Dr. Frigon would like to add something to what I have said on this question of turnover.

Dr. FRIGON: I would just like very briefly to elaborate on what Mr. Dunton has said. First of all I want to say that in 1945 we had a thorough study made of the situation in respect to salary revisions and we made a revision in the salaries of all jobs on the staff. New arrangements and new salary groups were worked out as of April 1st, 1945. Then, as we built up, we adjusted some of the positions as to salaries on the 1st of April, 1947, and there were some changes in April of 1948. At that time we raised everybody three steps in the grouping, in other words, every person had their salaries raised to bring them up to that level, and we started the system of bonuses.

The CHAIRMAN: That was just following the general pattern set across Canada, was it not?

Dr. FRIGON: Yes.

The CHAIRMAN: Wasn't there a government order or permission issued at that time to pay a bonus?

Dr. FRIGON: Yes, but we started before the government decision was announced. What I am trying to say is this, this whole salary problem has been followed by us from day to day right through and we have been comparing it with other organizations such as the Civil Service and with the United States networks. We have always paid salaries which we thought and still think are decidedly above the average paid by anybody else. We have compared our salaries with other organizations and we have discussed the matter with our staff council and we have promised that every five years there will be a revision of salaries—the next revision will be made this fall when we will again make a thorough survey of all positions and where required changes will be made. Now, in 1948 we had trouble in Toronto, that is the time when Mr. Aldred said this thing happened. That situation apparently was localized to Toronto. We simply could not change the salaries in one or two groups without giving consideration to a change for the whole system. Any change in our salary rates at one point would affect the whole system. You cannot raise the salaries of a certain type of stenographer without making similar adjustments to your clerical men, you cannot confine it to a single group such as the clerical staff, the announcers or the producers, you cannot confine it to any one group on the staff. We simply could not raise the general salary level to the point that would satisfy everybody, let us say, in Toronto. One result of that was that we had a turnover which was unusual, and we took steps immediately to see what was wrong, and that led us to some changes. But, as I said, in 1948, we did not have that problem anywhere else than in Toronto and it seems to have been a condition which grew out of the war.

Mr. LANGLOIS: What was your turnover?

Dr. FRIGON: In 1948 it was about 30 per cent. And it developed there as a result of war conditions, and I know that it only happened in Toronto.

The CHAIRMAN: What was your turnover in other places?

Dr. FRIGON: This situation was located in Toronto and I think it affected almost everybody concerned in that area.

Mr. LANGLOIS: How did your wages paid in Toronto compare with other stations, independent stations there?

Dr. FRIGON: For clerical and technical staff we paid as much I say generally, if not more than private stations. When you come to announcers it is a different problem entirely;—it is not a matter of staff, it is a matter of where they operate; if they are in Toronto, or say, in Montreal, they have a better chance than they would have in a place like Winnipeg or Vancouver where they would not have any chance at all to make big revenue out of commercial announcing. They all have the same basic salary, but their total revenues depend on the amount of commercial business going through. I can prove to you that our salary ranges are adequate and they are comparable with any other ranges in any other industry of our size. That situation which developed in Toronto in 1948 was one of which we were fully aware and one which we immediately took hold of and tried to solve the best way we could.

Mr. FLEMING: You say the situation no longer exists in Toronto or in the C.B.C. generally?

Dr. FRIGON: No.

Mr. FLEMING: What is your turnover now? Could you give us an approximate figure?

Colonel LANDRY: It is very much below that now. As a matter of fact, the situation with respect to clerical services is better today than it has ever been at any time.

Mr. FLEMING: I was wondering if you could give us the comparable percentage in effect, let us say, in 1950? I would like to compare that with the figure Dr. Frigon gave us for 1948.

Colonel LANRDY: Yes, we can do that.

Mr. LANGLOIS: But most of this trouble in 1948 applied to the clerical staff?

Dr. FRIGON: Oh yes, it applied almost entirely to the clerical staff.

Mr. LANGLOIS: And does this figure of 30 per cent which you gave include the personnel of the clerical staff who left for reasons other than inadequate salaries?

Dr. FRIGON: Certainly, it includes those who left for all reasons. Now, in our program division especially we use quite a number of typists. When a girl comes out of business college she gets a job first as a typist and she does straight typing, cutting stencils and making copies, etc. If she is any good, within a couple of years we will promote her to a better job and she will move out. The result of that is that normally there are quite a number of ordinary typists, ordinary low-salaried clerks and so on, but a good many of them move out. Now, Mr. Aldred this morning referred to one department, the clearance department. That is quite a special department. There are five desks in that office and generally speaking each girl has a specific duty to perform and she is assigned to one desk—for instance one girl will look after program scheduling. She must keep the program schedule up to date every minute of the day. From her desk the copy goes to the printer from which the programs are printed.

Mr. LANGLOIS: Is there any way in which this department could function without having at least five girls?

Dr. FRIGON: That is the system we have developed there and it is one which we find so good that not only are we keeping it on in Toronto but we are putting it on also in Montreal. What I am getting at is this, there are five girls doing specific jobs which have to be handled at the time they have to be handled, you can't wait until tomorrow or this afternoon or this evening before the work is done. Now, these jobs don't require very high salaried stenographers, but they are special jobs which require specialized training. Now, of the five girls whom we have working in that room at the present time two of them are receiving more than \$2,000 a year, there is another one who receives something like \$1,900 and one at \$1,800. They are not secretaries, they just handle one piece of work and the important part about that work is that it must be done in a certain way at a certain time.

Mr. LANGLOIS: Does it have to be done at the same time for all five jobs?

Dr. FRIGON: Yes. We have not yet been able to find a way of combining any of these five jobs down to four or even three, but should we be able to work that out I can assure you we will do so.

Mr. FLEMING: Dr. Frigon, are the salary scales uniform throughout the whole system at the present time?

Dr. FRIGON: Yes.

Mr. FLEMING: What about the wage scales; are they also uniform?

Dr. FRIGON: They are uniform right across the country.

Mr. FLEMING: Wage scales and salary rates are uniform right across the country?

Dr. FRIGON: The only difference we make, and we have done it at times, is to start at an intermediate level in the group; for instance, if we find that we

cannot get anybody we want for \$1,300 a year we may decide that it is necessary to start them in at \$1,400; but for the same rate the same salary range applies whether it is in Toronto or Halifax or Sydney.

The CHAIRMAN: The chief charge was that you were underpaying and that that was one of the reasons for the large turnover; also, that if you paid more money you could reduce the staff and in that way save money. Of course, that was all opinionative.

Mr. SMITH (*Calgary West*): I should think that is sufficient explanation.

The CHAIRMAN: I should think so. Arising out of this same statement was a reference to the staff council, that when the staff council made representations to the management they were never able to get acceptance of their representations. Are there any comments on that?

Dr. FRIGON: We have very many submissions from the staff council requesting different things. Very often we meet their requests. Sometimes we have to turn them down. But we never had any quarrel or difficulty arising with our staff council for any reason whatever. They did at that time as they do all the time come to me personally to express certain views. Very often we agree with them. In 1948 in Toronto there was an agitation in a certain group. I went down there to talk to them, and I am convinced that the staff generally did not have the attitude of their morale being down and of being dissatisfied with working conditions. There was a small group which was quite nervous about things, but that didn't amount to anything.

Mr. HANSELL: Can Dr. Frigon tell us if there were any particular reasons for there being a 30 per cent turnover in Toronto and a smaller turnover in other places?

Dr. FRIGON: I said before that apparently the situation developed in Toronto where it applied equally to almost every industry. There was a very active situation about people getting more salaries and moving from job to job. Why? Well, I think that was due to conditions which came out of the war. The same thing may develop later in Montreal and other points but it just happened at that time to be in Toronto.

Mr. HANSELL: How did that turnover compare with Montreal?

Dr. FRIGON: The turnover in Montreal at that time was not as high as it was in Toronto.

Mr. HANSELL: I cannot quite see why, if it was due to the war, it should not have happened in other places as well as in Toronto.

Dr. FRIGON: It is a situation which developed and worked out in Toronto. That is all I can say about it. The situation existed and our officials told us about it and we stepped right in and tried to do what we could about it.

The CHAIRMAN: There is a question which I would now like to clear up. It relates to the staff council coming time after time to ask that you make some change in connection with taking the 15 per cent of the commercial fee away from announcers. Did staff council ask that you change your methods; did they do it time after time?

Dr. FRIGON: The staff council voiced the opinion of certain announcers and have come to us and we expect them to come to us in the future because this matter of what to pay announcers is always a difficult one.

The CHAIRMAN: Just before you go any further, what I want to get at is: do they come voicing the views of some of the announcers or do they come doing that and also giving their approval to those views; in other words, is it the staff council recommending the request, or were they only submitting the view.

Dr. FRIGON: The staff council were making the request.

The CHAIRMAN: They approved it?

Dr. FRIGON: Yes. I would like to say this with respect to announcers. If we take a man on our staff as an announcer we give him a fixed salary for an average working week of 45 hours. It cannot be mathematically exact, but basically a man is supposed to give 45 hours a week for the amount he receives. Also he is asked to take over commercial broadcasts and unless we watch him he will soon reach the point, and this has happened in more than one case, where we pay the man a salary and he isn't working for us, his time is taken up most of the day on commercial broadcasting and when he is doing that he is not available for C.B.C. work, and also it results in that he is not available at times when we need him. For instance, you may want him to cover some special event. He will come to you and say, I am sorry, but I have a commercial and I will not be available; or, you may want him for a certain program and he will say, I can't take it because just at that time I have a commercial and I will not be available. We tried to figure out all sorts of ways of adjusting that. One was to pay a straight salary and say that no C.B.C. announcer could handle a commercial program, but that did not seem to be the solution, and we were faced with the problem with respect to certain announcers that they would leave us and work as freelancers in commercial announcing. Then we thought that we would put them all under contract and every year we would review the situation and then get rid of some and get new ones. That would have been very costly because it would have been hard for us to hold men who are hired by the year at the salaries we could pay. On the other hand, if he is a permanent employee enjoying pension plan and bonus and so on, it is a different matter. Finally, we worked out this scheme; we said, you are supposed to give us 45 hours a week, if you go on to commercial programs we will have to deduct from your time the time that you spend on these commercial programs and reduce your salaries by that much and reduce the number of hours of work that you do for us by that amount. In other words, if you go and work say five hours a week on commercials we will pay you 40/45ths of your salary, and instead of working for us 45 hours a week you will work for us 40 hours a week. So we adjusted the amount of work the men do as announcers both with respect to hours and salary; and then, we said to them, if you are going to do commercials to the extent that you are only going to have 25 hours of work for us then we will not need you anymore; that if you are going to add commercials to the extent that you work 60 hours a week would be too much for you and it would not be fair either to yourself or to us. Those are the figures which now appear in our regulations and which were accepted by the staff council. I must admit that it is not possible to apply that mathematically every minute of the year because commercial programs change with the seasons. There has to be a certain amount of flexibility, but a man is paid for the amount of work he gives to the C.B.C.

Mr. LANGLOIS: You said that that submission was received through this staff council?

Dr. FRIGON: Yes.

Mr. LANGLOIS: What was the special submission made on behalf of the announcers?

Dr. FRIGON: Well, those who were doing a lot of commercial work did not like to see their salary cut down. Now, do you want to know something about this 15 per cent?

The CHAIRMAN: Exactly. It was really more than a reduction of salary of 15 per cent.

Dr. FRIGON: Yes, a reduction of salary with a consequent reduction of service.

The CHAIRMAN: In addition to reducing the salaries you also required them to pay a part of the fee they received from commercial broadcasting?

Dr. FRIGON: Yes.

Mr. FLEMING: Why?

Dr. FRIGON: The reason for us charging that 15 per cent is this: Commercial announcers working for the C.B.C. have an office, telephone service, and very often they can use the stenographic help to a limited extent. If they were free lancers they would have to have their own offices, their own facilities, and it would cost them much more than 15 per cent of their stipends if they had to provide those facilities for themselves. We thought that in view of those facts the announcers who were receiving commercial fees should pay for the facilities provided to them to the extent of that 15 per cent, that we should retain 15 per cent of that amount, which is money that can be used generally in the C.B.C. Before we had this system we had another scheme whereby all the announcers who were doing commercials had to put a certain amount from their commercial revenues into a common fund which was divided up among the other announcers. Suppose we had fifteen announcers and five of them were doing commercial work, part of their revenue went into a common fund which was divided between the other ten announcers who had not been doing commercial work. That did not mean very much to those who were sharing in it and it did not work at all so we changed the system. But so far as announcers are concerned, we will always have a difficult situation to deal with.

Mr. LANGLOIS: Dr. Frigon, the submissions you received from those announcers were not to the effect that your scale was too high—they wanted no reduction at all from their salary, is that correct?

Dr. FRIGON: That is correct. For instance, one request came in two weeks ago and which we are studying now. The staff council have accepted the requests of some of the announcers and are requesting us in turn not to apply the reduction to salaries while announcers are on their vacation. We will look into that. If a man is out on vacation, they think we have no right to reduce his salary—he is taking his vacation.

The CHAIRMAN: He is taking his vacation away from you in part, and away from the commercials, in part?

Dr. FRIGON: No, what they do is to keep on working on commercials. Suppose they have three weeks vacation all told, some of them will carry on with the commercial work.

Mr. SMITH (*Calgary West*): It seemed to you like a very reasonable request, did it not?

Dr. FRIGON: I would not like to answer to that.

Mr. SMITH (*Calgary West*): Why should you take money from a man who is on vacation?

Dr. FRIGON: The only angle to take into account is that a man has a vacation for a rest. If he is out for three weeks, but, instead of having a rest, keeps working, there is a fair chance that in the fall—and it has happened before—he will come to us and say: "I am a nervous wreck and my doctor says that I must have a rest because I have been overworked." Then, you have to give him another vacation on the ground that he is sick.

Mr. SMITH (*Calgary West*): Doctor, don't tell us you are taking his money because you are looking after his health; that is too much for me altogether.

The CHAIRMAN: I am not sure that I have got this clear. There are two different kinds of announcers; there is one announcer who does not do any commercial work.

Dr. FRIGON: Right.

The CHAIRMAN: And who gives you 45 hours time. When he goes on vacation he gets his vacation with pay. There is no argument about that?

Dr. FRIGON: That is right.

The CHAIRMAN: Then you have the one who works for you 25 hours and you make the appropriate reduction from his pay.

Dr. FRIGON: That is right.

The CHAIRMAN: And in fact you would take 20/45 of his pay, plus the 15 per cent you have been telling us about.

Dr. FRIGON: That is right.

The CHAIRMAN: So regularly he receives 25/45 of his pay while he is doing commercials — —

Dr. FRIGON: It would be anywhere from 25 to 45 hours a week. Perhaps it would be 30—25 hours is the minimum.

The CHAIRMAN: When he goes on vacation you continue to pay him on the basis of 25 hours do you not? There is no argument about that.

Dr. FRIGON: That is what we have been doing so far.

The CHAIRMAN: The proposition put to you is that he should get not the amount which he customarily gets from you but rather that he should get his basic rate paid for a 45 hour job? Is that the representation?

Dr. FRIGON: That is the request we have now and I am studying this. In answer to the question regarding what requests we get from the Council I gave that as one sort.

Mr. LANGLOIS: This 15 per cent is taken off all earnings of those announcers while working on commercials.

Dr. FRIGON: A C.B.C. announcer who does commercial work, has his bill sponsored by us; we do the billing and we do the collections; and very often we offer his services to sponsors, in the case of C.B.C. announcers doing commercial work.

Mr. LANGLOIS: I did not want any explanation because my question was leading to another one and I have to be very careful because I do not want to get hearsay evidence from you. You say you have on file figures about the earnings of these announcers who are working on commercials?

Dr. FRIGON: Decidedly.

Mr. LANGLOIS: That is my main question. Can you tell us what the average earnings are of your announcers in Toronto?

Dr. FRIGON: We have no figures right here. It may vary from a few dollars a year to \$7,000 or \$8,000 and even more, per year.

Mr. LANGLOIS: \$7,000 or \$8,000?

Dr. FRIGON: I can get figures.

The CHAIRMAN: Have you any knowledge of the total earnings of the witness here a short time ago?

Dr. FRIGON: I have not got the figures here but I think in his article in the Standard, or the article which was written under his sponsorship I suppose, he said he was making \$12,000 a year.

Mr. MURRAY: \$12,000?

Dr. FRIGON: We know that some announcers in Montreal and in Toronto are making more than that.

Mr. RILEY: What was his salary from the C.B.C.?

Mr. BUSHNELL: \$2,980 plus cost of living bonus.

Dr. FRIGON: You might think that is a low salary and it is a low salary but when we hire a man as an announcer or producer it is for a specific need. We are not paying them all high salaries. We do not need all of the highest types of announcers. We have room for men of different categories and types and qualifications and the salaries are adjusted to the job and not to the man. If a man stays at \$3,000 too long and he thinks he can make more outside we fully expect him to move out.

Mr. SMITH (*Calgary West*): In other words you would not pay the chairman and Fleming the same, for example?

The CHAIRMAN: No, no, no.

Mr. SMITH (*Calgary West*): I see.

Mr. FRIGON: They would have to pass an audition first.

The CHAIRMAN: I would bring you a lot of custom if I could broadcast in the language I can use.

Mr. SMITH (*Calgary West*): You would lose a lot of listeners too.

Dr. FRIGON: That is another angle in the picture. You may have a very good announcer, with a good education and good enunciation and good voice but who has not got the ability to sell merchandise. He cannot sell soap; it is not his line. Another has very little education and little background but somehow because of the way he speaks at the microphone he sells soap.

Mr. GAUTHIER (*Portneuf*): He has imagination.

The CHAIRMAN: Are you ready to pass to the next matter.

Mr. HENRY: I want to ask Dr. Frigon the highest paid announcer? I mean the salary rate, not necessarily the name.

The CHAIRMAN: What is the highest salary you pay for an announcer?

Mr. HENRY: From the standpoint of the C.B.C.?

Dr. FRIGON: The highest basic salary for an announcer is \$4,980 plus, this year, a \$240 cost of living bonus, plus of course our 6 per cent contribution to the superannuation fund.

Mr. HENRY: An announcer paid that much would be allowed to do commercials?

Dr. FRIGON: Yes.

Mr. HENRY: Approximately how many have you at that figure?

Dr. FRIGON: Not many. I do not remember the exact number now, it could be checked if you wished, but there are not many.

Mr. HANSELL: I have a question with respect to staff councils: Just what is the function of a staff council and what relationship has that function to management?

Dr. FRIGON: Staff councils were organized some years ago to establish liaison between the management and staff. Each region, each unit, each transmitter, or each studio group has a staff council. They study local problems that are brought up to them by their members. They are supposed to try to take care of those problems locally with the local manager or the local official involved. If it is a problem of national importance, or if they do not get what they think they should get locally then the thing is reported to the national staff council which is composed of representatives of each region. That national staff council meets at least once a year at our expense. They also send repre-

sentatives across the country once or twice a year to talk to their councils, and at the national meeting they would have these different requests that come in from different councils. They discuss those requests between themselves. They boil them down to their simplest forms and then they come and see me while the meeting is going on. After discussing with them the problems they have brought, Colonel Landry and myself go to see them and take up each point separately. We speak to them of conditions that affect those requests. Some of the requests would be granted right away but some we would have to study further and give answers later on. When the answer is found or when we come to a decision we write the national staff council and they distribute the information to all the staff councils and get the reaction.

Besides this the function of the staff council is also to look after different social functions within the centres. The staff council may organize bowling leagues or dances or picnics, and that is all done under the guidance of the local staff council. Generally speaking, staff councils are local but they work with management through the national staff council. They are a liaison group and look after relations between personnel and management.

Mr. LANGLOIS: In other words you encourage that?

Dr. FRIGON: For instance, if we are proposing to make changes of the salary ranges, we never fail to discuss the problem with them. They may suggest some changes which we may accept. If we cannot accept we try to convince them they are wrong. Once we have settled the matter with the national council they are supposed to spread the information throughout Canada and give us the reaction of the regional and local councils.

Mr. HANSELL: Do these staff councils confine themselves primarily to employee-employer problems or would the scope of their functions take in suggestions to management as to the more efficient operation of the system?

Dr. FRIGON: Well I think they are more concerned with their own comfort and remuneration and all that, but at times, frequently, it has happened they do suggest certain modifications.

Mr. LANGLOIS: They make suggestions?

Dr. FRIGON: Suggestions regarding the different departments or activities. Another thing, the staff council as such is represented on a committee of trustees in respect to our pension plan. Once the C.B.C. has paid 6 per cent of salaries into the pension scheme and the employees have paid 6 per cent, the money becomes the property of the members of the staff under the joint management of the C.B.C. and the Board of Governors. They have appointed a representative of the staff council to administer or to be on the trustee committee of the pension fund. Management has appointed one member, the Board of Governors has one member, and so there are three persons looking after the contributions to the pension fund.

Mr. HANSELL: I do not know whether I got just the answer I wanted. Let me, if I may, give an example as an illustration. Supposing one of those staff councils or the hierarchy of the combined council should make a suggestion as to where money could be saved in operating expenses, apart from salaries and apart from the employees themselves, such as recordings which have been mentioned today. While that may not be a good illustration, supposing they suggested to you where the corporation could more efficiently work and save money, would that be considered as probably being part of their function?

Dr. FRIGON: That would be quite welcome and we would give it the highest sympathetic considerations.

Mr. HANSELL: Now, do you ever have conversations between management and the staff?

Dr. FRIGON: We have these annual meetings to start with and every time a high official of the C.B.C. goes to certain centres it is the usual practice to call the staff together at a meeting—first the staff council and then the staff and the official talks with them and discusses their problems. I might go to Winnipeg, or the chairman or Mr. Bushnell might, and one of the first things done is to call in the staff council and talk with them for awhile and then probably call the whole staff. There is a general conference or an address given to them and we ask if they have any suggestions to submit or things to discuss.

Mr. LANGLOIS: For example, in Toronto, are there very many of these staff conferences in the course of a year?

Dr. FRIGON: There is no set number per year but I might say a conference happens whenever it is needed, according to the questions involved and the problems at that time. There is no set procedure or set date—having a meeting every month or every second month but they do meet as required. In Toronto and Montreal the situation is a little different because high officials of the corporation are always around and many of the problems are handled right there and then every day in the week; but in outside centres it is different. Mr. Bushnell, myself, and Colonel Landry and the chairman, do not go very often to Vancouver. There the staff council is in a little different role, but the principle is the same.

Mr. HANSELL: There was one point which Mr. Aldred mentioned that left me with an impression—and the impression I gained was that when the staff came to management with requests for increases in salaries, the general answer was that they could not be given because parliament did not appropriate enough money. Parliament would appropriate for technical purposes but not for salaries?

Dr. FRIGON: We never received a cent from the government for our—

The CHAIRMAN: You are both off the beam there. If I may recall to you Mr. Aldred was telling us that at a staff council meeting one time in the past he had raised the question about why the C.B.C. could not get money to pay more salaries when it could get money for capital expenditures. Bushnell he said stated: "it is about time some of these people got to know what is going on around here," or something like that. He made it quite clear afterwards that he knew that the money did not come to the C.B.C. in that way.

Mr. BUSHNELL: If I may interrupt, seeing that my name has been brought into the question, I may also say that you are slightly off the beam—

The CHAIRMAN: You said "What in the hell are you talking about?"

Mr. BUSHNELL: The situation was this. I attended a staff meeting and listened to arguments of every kind for fifteen or twenty minutes and I had the feeling that after a man had been on the staff three years he should know the constitutional position of the corporation—that money could not be voted for current operations; and that was precisely my comment.

The CHAIRMAN: That means that you do not need to follow up any such question with Dr. Frigon?

Mr. HANSELL: No, that is right.

The CHAIRMAN: We are all getting off the beam and on to a disc. What about all this wastage through not using proper discs? Have you been losing in the neighbourhood of \$15,000 to \$20,000 a year through not making proper use of discs?

Dr FRIGON: We may take the problem of recording if you do not mind, first, and I would like to ask someone on the staff to give specific answers to specific questions. We are fully aware that tape recorders are quite often more economical

and better than disc recorders under certain circumstances. There are two types of tape recording machines, the portable and the fixed tape recording machines.

Now, at the beginning, tape recorders, I mean the portable ones, were not so very good that we cared to employ them. Our engineering division opposed very strongly the purchase of tape recorders and even wire recorders because at the time they were not up to our standards. As soon as they became perfected to give better results we did buy some portable recorders. They can do a very good job under certain circumstances, but they certainly are not up to our standards for musical shows. You cannot record a good musical show on a portable tape recorder with any satisfaction so far as we are concerned. We use them on outside programs, special events, where they can do a fairly good job and sometimes a very good job.

Now that there are on the market some good fixed tape recorders we use them, and we buy them. We bought them for Winnipeg because in Winnipeg we do a lot of recording for delayed programs originating in the east, holding them there for a number of hours and re-broadcasting them in the western provinces at the proper time. We have them in Sydney for the same purpose with respect to Newfoundland. We have four now in the new Montreal Radio Canada Building and we propose to buy some more as soon as we have the money to buy them.

Mr. GAUTHIER (*Portneuf*): How many tape recorders have you in Toronto?

Dr. FRIGON: We have none in Toronto. We have portable ones, but no fixed ones. You simply cannot scrap \$2,500 recorders overnight because there is a better tape recorder on the market. We are gradually changing from disc to tape recorders. No doubt Toronto will get some. I do not know when but probably pretty soon. The tape recorders on the market now are good machines and are cheaper to operate than the disc recorders but the reason we do not buy tape recorders for all our studios is because it would cost so many thousand dollars that we cannot afford it.

The CHAIRMAN: What is the cost of these tape recorders?

Dr. FRIGON: About the same as a disc recorder, a little more expensive. They come to a little under \$3,000 apiece. The figure I have here is for the best tape recorder we can buy. Now, the cost of these is about \$2,400.

The CHAIRMAN: Portable ones?

Dr. FRIGON: No, that is a fixed tape recorder., the corresponding turntable for a disc recording machine is \$2,200 or \$2,300.

Mr. RILEY: Doctor, I gather that tape recording machines do not meet the standards of the C.B.C. in regard to musical programs?

Dr. FRIGON: Pardon me, they do when you talk about the portable machines; those \$2,800 machines they are very good for that,—

Mr. RICHARD: What are those we saw in Montreal?

Dr. FRIGON: —but the portable ones do not give the same high quality or fidelity as the fixed ones, but in recording rooms such as we have in Vancouver, Sydney, and Montreal just now, we would rather use tape recorders than the others, and in the long run they are cheaper.

Mr. GAUTHIER (*Portneuf*): And as to the cost of recording, which is the cheaper?

Dr. FRIGON: Well, the tape recorder is cheaper because you may use the same tape over and over again; you can wipe it out and start over again.

Mr. RILEY: How many recordings can you put on the one tape?

Dr. FRIGON: It all depends on the length. It is forty-five minutes per tape.

Mr. RILEY: How many times can you repeat that?

The CHAIRMAN: How often can you use it?

Dr. FRIGON: For practical purposes there is no limit. I suppose you can use them a number of thousand times.

The CHAIRMAN: What is the cost of a roll of tape for those fixed machines you have in Montreal?

Dr. FRIGON: I would not like to give you a price.

Mr. HANSELL: Mr. Chairman,—

The CHAIRMAN: Just a moment, Mr. Hansell; Mr. Langlois has been trying to ask a question.

Mr. LANGLOIS: Dr. Frigon, you said at the beginning that there was a ban on tape recorders by your engineering staff, a ban on the use of portable tape recorders.

Dr. FRIGON: Yes.

Mr. LANGLOIS: When was that ban lifted?

Dr. FRIGON: It was lifted gradually; and I should say, at the beginning when these things came on the market they came mostly in the form of wire recorders, the same general principle but different material, and everybody went for it in the small stations.

Mr. LANGLOIS: When did you buy your portable recorders for Toronto?

Dr. FRIGON: I do not know. If you want me to guess at it I would say we started buying them about 1947.

Mr. LANGLOIS: Now, you said that your engineers still believe that they are not so good for musical programs—I mean the portable ones?

Dr. FRIGON: You are right.

Mr. LANGLOIS: They are still not so good?

Dr. FRIGON: That is right.

Mr. LANGLOIS: And now you are using those portables you have in Toronto for other programs?

Dr. FRIGON: Yes, for outside broadcasts.

Mr. LANGLOIS: And as far as these other programs are concerned they are put to full use, am I right in assuming that?

Dr. FRIGON: Oh, yes.

Mr. LANGLOIS: There was a suggestion made this morning to the effect that you were not taking full use or advantage of the recorders you had on hand in Toronto.

Dr. FRIGON: You see, we have two stations in Toronto and we have six recorders, as Mr. Aldred mentioned this morning, six portable tape recorders and with the load that there is there that is not too many because you may have two or three shows a day coming out from the one station.

Mr. LANGLOIS: Mr. Aldred said this morning that you had those recorders there and that if they were put to full use that you could save money, and that it was a wastage to use discs.

Dr. FRIGON: I think the confusion comes there from the fact that some people who are not as exacting as we are are satisfied with the portable tape recorder and we are not. When we broadcast music on some program where we think there should be quality we do not use a portable tape recorder although some stations would use it, but we do not think it gives good programs, technically.

Mr. LANGLOIS: In other words, you are making full use of those recorders you now have in Toronto provided they do not jeopardize the standard of your programs.

Dr. FRIGON: I would add this, as we operate nationally it happens frequently that equipment from Toronto or Montreal is shipped to other places on a temporary job. Such extra equipment was sent to Winnipeg from Toronto and Montreal to take care of the extra load at the time of the Red River flood. They all come out of a central store and are assigned to different studios as they are required, although there is a basic complement of tape recorders at each big centre.

Mr. LANGLOIS: I am satisfied.

Mr. HANSELL: How many of the new fixed recorders do you expect you will require in Toronto?

Dr. FRIGON: I can only answer that, it all depends on the money we have at our disposal to buy recorders.

The CHAIRMAN: I think Mr. Hansell's question is how many would you need,—

Mr. LANGLOIS: How many would you require?

The CHAIRMAN:—whether you can afford it or not.

Dr. FRIGON: I will answer this way: in Montreal, to take care of the national system and the international system we have two stations in Montreal for the national system, we will have twenty recording machines.

Mr. HANSELL: That is of the new fixed type.

Dr. FRIGON: Yes. For Toronto I have no figures but I would say that probably twelve or fifteen machines will do a decent job in Toronto and that may change according to the load we may develop in Toronto.

Mr. LANGLOIS: What about using the discs on both sides?

The CHAIRMAN: That is the question.

Mr. RICHARD: After you have used a tape recorder to record a program you can transfer it to a record and you have to do that on discs.

Dr. FRIGON: We do not have to, but we can.

Mr. RICHARD: From the portable machines?

Dr. FRIGON: No, we do not have to. We may have to transfer to a disc but, if it is done on portables the chances are it will not be transferred from a tape to a disc for the quality would not warrant it.

Mr. RICHARD: For permanent purposes though for a checkup, let us say?

Dr. FRIGON: Let us take that other point; the acetate discs which were mentioned this morning are permanent to a point. They are affected by temperature, by moisture, by the way they are kept. You may keep a record for years and years yet one may get spoiled and be of no use within six months. So when you want to have a permanent record you have to have it processed which is still another operation and it costs very much more. You may buy a disc for \$2.50 and if you want the program on the disc processed, it may cost you \$45 for the disc. We do very very little of that. The permanent record is not one that is made usually in our studios and by all stations on what we call acetate discs.

Mr. RICHARD: It is made on a wax disc, or what?

Dr. FRIGON: No, it is done by the method used to produce a disc you buy in the store; they have to make a matrix, press it, and bake it, and then you have a permanent record.

Mr. RICHARD: You have certain programs you put on tape, as Mr. Aldred said this morning, and from that tape you transfer to a disc. He was mentioning that.

Dr. FRIGON: That would be so if you had a program on a tape in Winnipeg, say, and you wanted to send it for use in Halifax where you have no tape reproducing machine. You have to put it on a disc and ship the disc to Halifax, or you may, in certain programs record both on the tape and on the disc and then choose whichever recording is the better one. I do not think it is the general practice for us to transfer recordings from records made on all tape machines to a disc machine as a permanent method.

Mr. RICHARD: How long does a tape remain a record?

Dr. FRIGON: On the tape?

Mr. RICHARD: Yes.

Dr. FRIGON: It would not be practical to buy a tape and put it away.

Mr. BUSHNELL: You have a point there, Mr. Richard. Sometimes we take programs that we want to keep for purposes of record. In other words, someone may have made a speech and it might be referred to in six months from now or a year from now, and we might do that, as the general manager suggests, on the tape and on the disc and we would put the disc away and keep it for six or eight months.

Mr. RICHARD: You would not put the tape away?

Mr. BUSHNELL: We would not put the tape away, no.

Dr. FRIGON: During the royal visit in 1939 we did a lot of broadcasting and we have selected a great number of these and we have processed them. They are kept in the library in Ottawa here. They may be used fifty years from now. They have been processed for permanent keeping. If you were to leave that on acetate and you wanted to use them in five years you will find them gone; they will be warped or something, affected by the temperature, by moisture and whatnot.

Mr. RICHARD: What were the men recording in Montreal, on the discs, on the black discs?

Dr. FRIGON: Those were acetate records. During the war some of them had a base of glass or even paper. The normal base for a disc is aluminum.

Mr. RICHARD: And it is very sensitive to temperature and moisture?

Dr. FRIGON: Oh, yes. But to answer this other question about the recording on two sides—

The CHAIRMAN: That is what I want to get at. What about all this waste by only using the discs on one side?

Dr. FRIGON: Mr. Kannawin is in charge of this, in Toronto.

Mr. Kannawin called:

The CHAIRMAN: Mr. Kannawin, you heard the evidence about wastage. I think this one section ran into a wastage of \$15,000 to \$20,000 a year. In addition to that there was a wastage due to not using a tape recorder; anyhow it is \$15,000 to \$20,000 a year as a result of using only the discs. Now, what do you know about that?

Mr. KANNAWIN: I find myself obliged to disagree with this morning's witness. Several years ago the director general of programs formed me into a continuing committee of one, because I had been with the corporation quite a long while, and he asked me to keep an eye on discs in the library. Since then I have been going down there with the librarian on a regular basis. We do not

throw out any discs which are what we call current; in other words, we have everything for 1949 and almost everything for 1948. Just a few weeks ago I assessed five cabinets of discs, each cabinet holds one hundred discs. With the exception of, I think, a quarter of one per cent which might have been 12-inch discs, they were 16-inch discs. I assessed the five hundred discs and I am sure I threw out for reclamation about seventy-five per cent of them and of the discs that were thrown out I can assure you that not ten per cent had one side blank.

The CHAIRMAN: Had a blank side?

Mr. KANNAWIN: Not ten per cent had a blank side.

The CHAIRMAN: Can you not go somewhat further than that? You say you went over a number of discs, that a certain number of them were thrown away for getting whatever salvage you could from them and that the percentage which were not used on both sides was not more than ten per cent.

Mr. KANNAWIN: That is right.

The CHAIRMAN: But in deciding to throw away some you must have examined a much larger number?

Mr. KANNAWIN: I examined all of the five hundred, I was going through, I think they were for the month of December, 1947, and the months of January and February and probably March of 1948, all of which amounted to about five hundred discs.

The CHAIRMAN: Well, of those you decided not to throw away what percentage were used on both sides?

Mr. KANNAWIN: The same, sir.

The CHAIRMAN: The same. Of those you threw away and those you did not throw away, there was not above ten per cent which were single-sided as to their use?

Mr. SMITH (*Calgary West*): Why ten per cent? Why any?

Mr. KANNAWIN: The general procedure, sir, is to feed the discs; if you are recording a half hour continuously you will use one side of each of two discs, for, if you stop to turn a disc over you would interrupt the recording of the program. If you are recording a half hour show, fifteen minutes of it will be on each side of one disc. The general procedure is, when that show has been listened to, the record goes into the record room and the record librarian takes a look at the discs and if he sees blank sides on them he feeds them into the record room for the recording of another show and the operator feeds the reverse side into the recording room and records a second show on the reverse side. An time after time that happens.

Now, there are occasions, if it is an important item, where they do not want too much handling to go on, they will file that show with a single blank. The general manager was mentioning about the Royal tour. There are other incidents also. I can assure we would never think of discarding anything that the late President Roosevelt said, or His Majesty or our Prime Minister said. Those are kept as archive items.

Mr. SMITH (*Calgary West*): You are expressing an opinion only, I gather.

Mr. LANGLOIS: That covers some members of parliament. You may be included in that too, Mr. Smith.

The CHAIRMAN: Well, is the policy now the same with regard to using both sides of the disc as it has been?

Mr. KANNAWIN: I can supply you with the statement indicating the number of recordings that were made during the period referred to this morning by the witness, during the time of his employment with the Corporation.

Mr. SMITH (*Calgary West*): What period of time was that? Why that period of time?

The CHAIRMAN: Because, Mr. Smith, the witness this morning gave us that information having reference to that particular period of time.

Mr. RICHARD: And he said that 75 per cent of the discs were used only on one side.

Mr. GAUTHIER (*Sudbury*): Yes, he mentioned the fact that 75 per cent of the discs were used only on one side.

Mr. LANGLOIS: How many discs are you using in Toronto today? I find it difficult to reconcile the two statements.

Mr. KANNAWIN: I would feel that it was less than fifty.

The CHAIRMAN: The witness said this morning that he thought the number was forty or fifty.

Mr. HANSELL: Yes, I think he said about 16,000 a year.

The CHAIRMAN: Is there anything further on that? Is there any further evidence in rebuttal to the Aldred charges?

Mr. SMITH (*Calgary West*): I have one question I would like to ask.

The CHAIRMAN: About?

Mr. SMITH (*Calgary West*): Apparent inconsistencies.

The CHAIRMAN: All right.

Mr. SMITH (*Calgary West*): How do you account for the fact that in examination the witness said with respect to Canadian content that it was 20 per cent to 30 per cent, and in another instance the statement was made that it was approximately 45 per cent; how do you reconcile that figure with the figure given by the C.B.C. of 83 per cent?

The WITNESS: Personally, I cannot accept those figures of Mr. Aldred's without checking them. Also, I would point out that it was quite a different classification, the figure of 83 per cent referred to the point of origin of programs in Canada, that is the statistical fact at the present time, that figure represents the percentage of our programs going on any C.B.C. network, and that includes all sections of the national networks.

Mr. SMITH (*Calgary West*): But there is a substantial discrepancy between 45 per cent and 83 per cent.

The WITNESS: Of course, may I point out to you, that I could not accept that without checking. You are talking about the talent used in a program. That is shown in detail in an appendix which was filed to the Massey reports. The figure we have of 83 per cent is on program origin, not content. It refers to the point at which the program originated.

Mr. SMITH (*Calgary West*): He was referring to recorded programs; do you call them Canadian in origin because they are made here?

The WITNESS: Certainly. This is a statistical figure based on where the program originated.

Mr. SMITH (*Calgary West*): In other words, the 83 per cent includes all the American recordings used here by the C.B.C.; that is called Canadian origin?

The WITNESS: Yes.

The CHAIRMAN: The witness simply mixed the terms in giving his evidence, and I do not say that in any critical sense; but he used a term with a meaning

entirely different from the meaning given in the appendix to the submission to the Massey Commission.

Mr. SMITH (*Calgary West*): I must say that I was under some misapprehension as to what the witness meant because to me there is something very strange in bringing an American recording into Toronto and calling that a program of Canadian origin, because it is not of Canadian origin.

The WITNESS: You are right; it is not a Canadian made record, but it originated for broadcasting purposes on a Canadian station.

The CHAIRMAN: That is not what they have done.

The WITNESS: I would like to point out that this is a statistical figure and statistics do strange things. We do point out, however, that there are too few live Canadian programs and we think there should be a great deal more.

Mr. SMITH (*Calgary West*): I see what you mean now, and you have a figure there of 83 per cent which indicates the programs originating in Canada for purposes of broadcasting.

The WITNESS: That is right.

Mr. LANGLOIS: Are you through now, Mr. Smith?

Mr. SMITH (*Calgary West*): Yes, for the moment.

By Mr. Langlois:

Q. Does this figure of 83 per cent include your French language programs?

—A. It includes every program that is put on any network.

Q. Am I right in assuming that most of your French language programs are made in Canada; that they are about 100 per cent Canadian in origin?

—A. Of course, there are a number of recordings played on the French network too.

Mr. SMITH (*Calgary West*): Which are not Canadian in origin.

The WITNESS: Certainly. We would not claim merely 83 per cent content for our French broadcasts, I think that would be too low indeed.

Mr. SMITH (*Calgary West*): One person is talking about one thing—the origin of broadcasts—and the other person is talking about the other thing—the contents of broadcasts.

The CHAIRMAN: Isn't that what we call a logical fixing of terms? I think it ought to be made clear in the evidence that Mr. Smith's favourite is chamber music.

Mr. RICHARD: What is chamber music?

Mr. SMITH (*Calgary West*): You get two marks for that where you only get one for anything else; the most dour sounds that ever attacked the human ears. That is what I think about it.

The CHAIRMAN: I suggest that perhaps the committee ought to put a recommendation in its report that there must be no chamber music.

Mr. GAUTHIER (*Portneuf*): Oh, yes, there must be.

The CHAIRMAN: I guess we can't agree about that.
Are there any more questions?

Mr. FLEMING: There is one question Colonel Landry was looking up. I asked him the percentage of turnover in the C.B.C.'s staff in Toronto in 1948.

Colonel LANDRY: Our records indicate that in 1948 there was a 30 per cent turnover of personnel and about 80 per cent of that 30 per cent was staff. In

1950 the over-all turnover was 18·1. I might also add that in the last two years two announcers left the staff in Toronto and the announcer staff now stands at seventeen. On the production staff, in 1948, there were three who left and there were nine taken on and in 1950 there were twenty-six on the staff—and there were three left and seven added on, so that today we have thirty-two.

Mr. FLEMING: Have you the over-all figures on the turnover of staff for the whole system right across Canada for those two years, 1948 and 1950?

Colonel LANDRY: I have some figures here but it is not quite the entire staff.

Mr. FLEMING: Probably that would do as well.

Colonel LANDRY: I can say that in Toronto in 1948 the turnover was 30 per cent, in Montreal it was 20 per cent and for the remaining points it was 15 per cent; and in 1950—that is 1949-50, it was 18·1 per cent in Toronto, 10·6 per cent in Montreal and at all other points plus 14.

The CHAIRMAN: Well, gentlemen, that concludes our work with the officials of the C.B.C. Tomorrow we will have the Department of Transport officials with us and it should not take very long to clear up that part of it. The committee stands adjourned until tomorrow morning at 11:30 a.m.

The committee adjourned.

SESSION 1950

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, June 15, 1950

WITNESSES:

Mr. G. C. W. Browne, Controller of Radio, Department of Transport;
Mr. W. Benidickson, M.P.;
Mr. A. D. Dunton, Chairman of the Board of Governors, and Mr. Augustin
Frigon, General Manager, Canadian Broadcasting Corporation.

SPECIAL COMMITTEE
on
RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspé*), Esq.

Messrs.

Boisvert	Gauthier (<i>Sudbury</i>)	Robinson
Balcer	Hansell	Riley
Cote (<i>St. John-Iberville- Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary West</i>)
Diefenbaker	Kirk (<i>Antigonish-Guys- borough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE.

MINUTES OF PROCEEDINGS

THURSDAY, June 15, 1950.

The Special Committee on Radio Broadcasting met at 11.30 a.m. Mr. Ralph Maybank, Chairman, presided.

Present: Boisvert, Fleming, Gauthier (*Portneuf*), Hansell, Kent, Langlois (*Gaspé*), Maybank, Murray (*Cariboo*), Richard (*Ottawa East*), Riley, Smith (*Calgary West*), Stewart (*Winnipeg North*). (12).

In attendance: From C.B.C.: Messrs. Dunton, Frigon, Young, Palmer, Fraser and Albert.

From Transport: Messrs. G. C. W. Browne, Controller of Radio; W. A. Caton, Chief Radio Inspector; W. B. Smith, Chief International Standards Section; C. A. O'Brien, Information Officer; and V. W. Irish, Licensing Division.

The Committee decided to hear representations from Right Honourable C. D. Howe, jointly with Mr. Benidickson, as soon as the former is free from his duties in the House around 1 o'clock.

The Chairman identified the following documents, copies of which were distributed, namely:—

1. List of broadcasting stations in operation in Canada as of April 1, 1950.
2. Brief of the Controller of Radio, Department of Transport.

The latter was taken as read and ordered incorporated in the evidence.

Mr. Browne was called and examined. He was assisted by Messrs. Caton and Smith.

The witness tabled copies of a table showing a radio survey of towns, cities and villages for 1950 relating to receiving sets. He also filed a sample of notice cards emanating from the Department concerning radio licences.

Mr. Langlois occupied the Chair in the momentary absence of the Chairman.

The Committee concluded its examination of Mr. Browne and he was retired.

At 1.10 Mr. W. Benidickson, Member for Kenora-Rainy River, announced that Right Honourable Mr. Howe, Member for Port Arthur, was unable to be present and that he would make representations on his behalf as well.

Mr. Benidickson was called and made representations for the district of Rainy River relating to coverage. He also read a memorandum of Mr. Howe's for the district of Port Arthur on the same question.

Mr. Benidickson was questioned.

Mr. Dunton was called and commented on Mr. Benidickson's representations.

The Chairman tabled for distribution copies of a:

(a) Memo showing methods of effecting reductions in expenditures of one million dollars in one year.

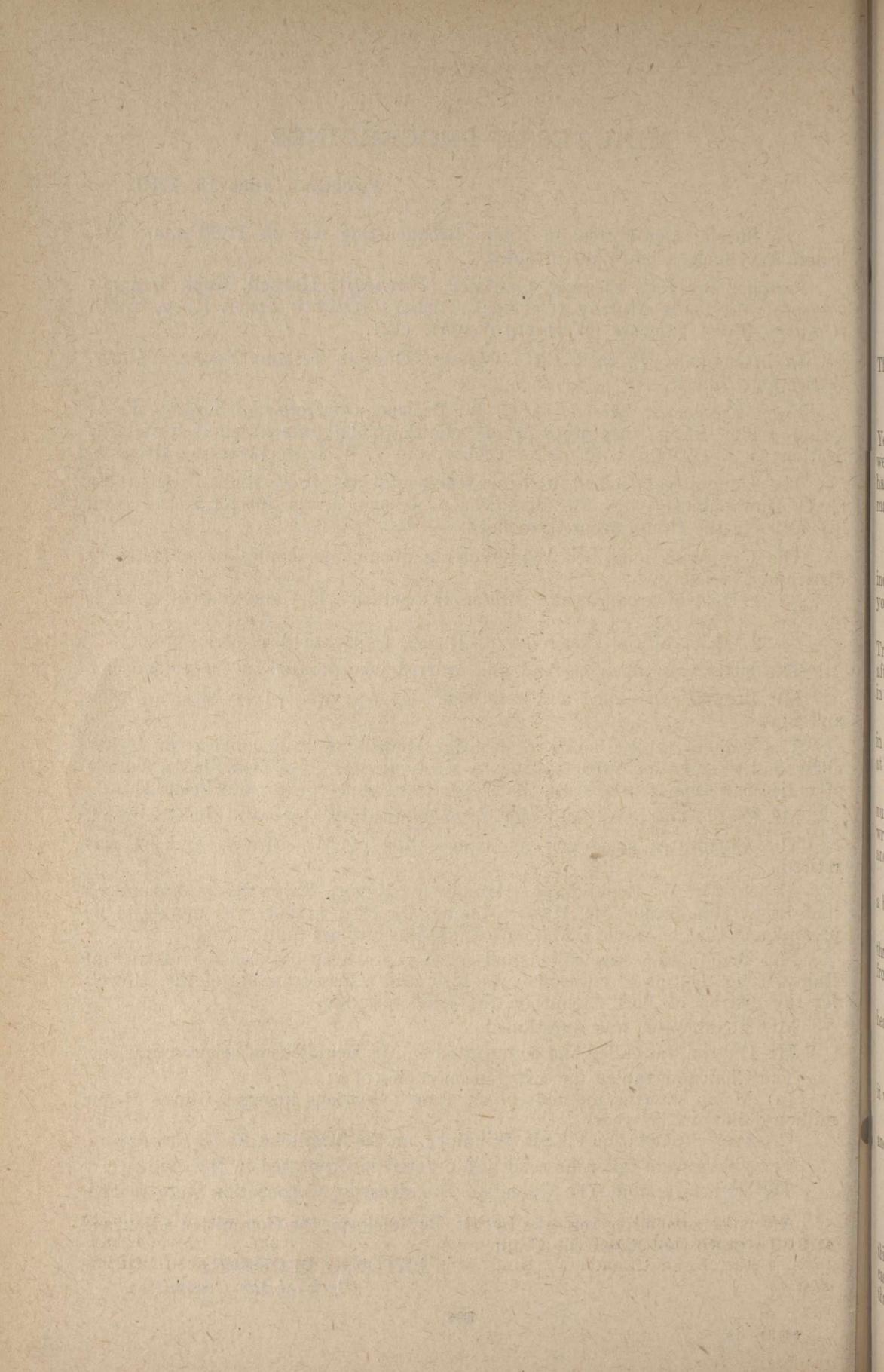
(b) Report of Station CKSB, Winnipeg, on the Manitoba Flood Emergency.

The above were taken as read and ordered incorporated in the evidence.

The witnesses from The Canadian Broadcasting Corporation were retired.

After the concluding remarks by Mr. Benidickson, the Committee adjourned at 2.30 p.m. to the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.



EVIDENCE

HOUSE OF COMMONS,

THURSDAY, June 15, 1950.

The Special Committee on Radio Broadcasting met this day at 11.30 a.m. The Chairman, Mr. Ralph Maybank, presided.

The CHAIRMAN: Gentlemen, I see a quorum.

I would like to settle with you, if you will, what we shall do after Transport. Yesterday we said we would hear Mr. Benidickson and, at that time, so far as we could see that would be the last thing we would do. Since then Mr. Howe has said that he would like to come forward and not exactly give evidence but make some representations.

Mr. FLEMING: Mr. C. D. Howe?

The CHAIRMAN: Yes. I said to Mr. Howe this morning that I would be inclined to think we could hear him at 2.30 this afternoon. He said: "Can you make it at 3?" And I replied: "I rather think so, but I do not know."

That brings me to this point. I am pretty sure we will conclude with Transport before 1 o'clock but Mr. Benidickson would prefer to be free until this afternoon rather than sit here until the time he would be called this morning, in case we should finish before 1 o'clock.

Mr. SMITH: I think we should accommodate Mr. Howe and Mr. Benidickson in every possible way. Mr. Howe is a very busy man, and I move that we meet at 3 o'clock to hear them.

Mr. FLEMING: No, there is another meeting called for 2.30 at which a number of those on this committee will have to be present. It is a matter of writing a report and it is an important section. Should we not hear Mr. Howe and Mr. Benidickson now?

Mr. BENIDICKSON: You can hear me at any time but Mr. Howe is piloting a bill through the House.

Mr. FLEMING: We could send for Mr. Benidickson as soon as Mr. Howe is through in the House. I am sure that we will not be very long with the witness from the Department of Transport.

The CHAIRMAN: I think both Mr. Howe and Mr. Benidickson want to be heard together.

Mr. FLEMING: Does Mr. Benidickson wish to wait for Mr. Howe?

Mr. BENIDICKSON: I would prefer you hear the two cases at the same time; it would avoid duplication.

Mr. FLEMING: I suggest that we decide we should hear Mr. Benidickson and Mr. Howe as soon as Mr. Howe is free in the House.

The CHAIRMAN: And break in on what we are doing in that case?

Agreed.

We have a brief of the Department of Transport and along with it we have this other document which might be called an appendix listing all of the broadcasting stations in Canada. I think you will agree there is no need printing that.

Mr. FLEMING: No; I do not think that needs to be printed.

The CHAIRMAN: The other document, of which you have all had copies for quite a number of days is the brief of the Department of Transport and, although it is rather thick, the actual printing will not be so very much.

May I say that this brief is ordered printed in our proceedings at this point as if read.

Mr. FLEMING: With appendices?

The CHAIRMAN: Yes.

Agreed.

RADIO DIVISION DEPARTMENT OF TRANSPORT

As in the case of previous committees, I have had prepared for the information of the Parliamentary Committee on Radio Broadcasting, statistical information pertaining to the issue of Private Receiving Station Licences.

As Controller of Radio, I am responsible for the administration of the Radio Division of the Department of Transport, which functions in the enforcement of the law as prescribed in The Radio Act, 1938 and Regulations made thereunder; Section 23 of The Canadian Broadcasting Act and Regulations pertaining to radio interference made by the Governor in Council under the authority thereof; and those sections of the Canada Shipping Act pertaining to radio installations on board ship and the Radio Regulations for Ship Stations issued thereunder; and those sections of the Aeronautics Act, 1919, pertaining to radio.

In addition, my Division establishes, maintains and operates radiotelegraph, radiotelephone radio direction finding, radar, and radio beacon stations along the coasts of Canada as aids to marine navigation.

We also establish maintain and operate aeronautical radiocommunication stations, radio range stations, radio instrument landing systems and auxiliary radio services along the airways of Canada, as aids to aircraft navigation. In addition to the radio functions aforementioned, I am also responsible for the administration of the Government Telegraph Service which provides wire line communications to isolated areas in Canada.

Coming back to the broadcasting field, we are responsible for the licensing and the administration of the technical operations of radio broadcasting stations.

It is part of our responsibility to collect licence fees and such moneys accruing from radio broadcasting are turned over to the Canadian Broadcasting Corporation, in accordance with Section 14 of The Canadian Broadcasting Act, 1936, which prescribes, in part—

14. (1) The Minister of Finance shall deposit from time to time in Bank of Canada or in a chartered bank to be designated by him to the credit of the Corporation—

(a) the gross amount of the moneys received in each year from licence fees in respect of private receiving licences and private station broadcasting licences without deducting therefrom any costs of collection or administration.

During the fiscal year 1949-50, terminated on March 31, last, a total of 2,177,445 licences were issued, resulting in a gross revenue of \$4,989,354.33. In addition to this revenue, the Canadian Broadcasting Corporation was paid \$331,652.20, being the amount of commissions deducted by issuers.

Also, the amount of \$153,700.00—Commercial Broadcasting Licence fees—was paid to the C.B.C., making a grand total of \$5,474,706.53.

A comparison of these figures with the previous year shows an increase of 119,646 Private Receiving Station Licences issued, and an increase in total moneys paid to the Canadian Broadcasting Corporation of \$337,081.88. This amount is only slightly less than the amount of \$339,333.50 which was the increase in revenue paid to the C.B.C. in 1948-49. It should be noted in this regard that since the full \$2.50 became payable to the C.B.C., in 1947-48, there has been a total increase in revenue, to date, of \$1,568,865.46.

In 1949-50 it cost the Department \$305,729.07 for the operation of the organization involving the distribution and the recording of receiving licences. This represents an increase of \$35,792.31 over the year 1948-49, being principally due to rise in salaries over the period. At the same time, the amount of commissions paid issuers in 1949-50, namely \$331,652.20, was \$10,329.80 less than in 1948-49, resulting in a total expenditure of appropriation of 637,381.27. The decrease in commissions was chiefly due to the fact that some 1,300 post offices were changed over to staff offices and the commission reduced from 15c to 5c for licences sold through them.

It will be noted that the increase in licences for the year, amounting to 5.5 per cent, follows the trend of past increases. At the same time, the actual cost of issue of licences is very close to that of previous years.

The attached statistics have been prepared in the form of appendices to this statement. Appendix 1 comprises a summary of Receiving Licence issues; Appendix 2 and 3 being the breakdown, by provinces, of licences and revenue. These are followed by Appendix 4 showing the moneys received and paid to the Canadian Broadcasting Corporation. Appendix 5 gives a breakdown of the costs of collecting licences. Appendix 6 shows details of the cost of mechanization in connection with the recording of licences. Appendix 7 gives further breakdowns showing total commissions paid, classes of issuers, rates of commission and percentages of licences issued, by classes of issuers. Appendix 8 contains figures with respect to licences issued without fee and licences issued to cover the operation of radio broadcasting receivers in automobiles. Appendix 9 is a breakdown, by provinces, of the number of prosecutions under The Radio Act, of persons found operating receiving sets without licences. It will be noted that there is a decrease over the past three years and I may say that this is primarily due to the fact that we issued specific instructions to our Inspectors to concentrate on the more outlying districts: therefore, it was not possible to obtain the same number of cases with the time at their disposal. Also, included with the appendices is the final statement of issue of receiving licences for the fiscal years 1948-49 and 1949-50 by provinces and principal cities and towns.

Pursuant to the recommendations contained in the report of the Special Committee on Radio Broadcasting of the 1947 Session of the House of Commons, action was taken to examine into the fees charged for Private Commercial Broadcasting Station Licences. As a result of this examination, Regulation 1, Part I of the Radio Regulations made by the Governor in Council was amended, effective April 1, 1948. The final basis arrived at for the fees, estimated to average slightly over one per cent of the aggregate gross income, resulted in the classification of stations into seven categories according to their individual gross revenues. The regulation prescribes as follows:

REGULATION 1, SECTION 14, OF PART I OF THE REGULATIONS MADE UNDER
THE RADIO ACT, 1938

14. Private Commercial Broadcasting Station:—
(a) Schedule of Licence Fees

Category of Station	Annual Gross Revenue	Licence Fee
A.....	\$ Under \$25,000.....	\$ 100.00
B.....	25,000 and under \$ 50,000.....	250.00
C.....	50,000 and under 75,000.....	500.00
D.....	75,000 and under 100,000.....	1,000.00
E.....	100,000 and under 200,000.....	1,500.00
F.....	200,000 and under 400,000.....	3,000.00
G.....	400,000 and over.....	6,000.00

The licence fee for a station for the period commencing on the first day of April and ending on the following thirty-first day of March shall be based on the Gross Revenue of the licensee for the preceding fiscal year of the station ending on or before the thirty-first day of December.

Provided, however, that the applicant for a licence for a new station shall deposit with the Minister a minimum sum of \$100.00 if the power of the station is less than 1,000 watts, and \$500.00 if the power of the station is 1,000 watts or over; and that the sum deposited shall apply on the first year's licence fee if the application is accepted, subject only to the payment of such additional amount, if any, based on the Gross Revenue for the period of operation of the station until March 31 next following the date of issue of the licence, in accordance with the category of stations above set out; and, furthermore, that the licence fee for the operation of new Private Commercial Broadcasting Stations for the following twelve-month period, beginning on April 1 next following the date of issue of the licence, shall be computed on the basis of the period the station was in operation until March 31 next following the date of issue of the licence, prorated for a full twelve months.

For the purpose of this regulation "Gross Revenue" means the total revenue earned by the licensee in the operation of the station, less agency commissions, as set forth in the financial return made under oath by the licensee to the Minister covering the operation of the station for the fiscal year of the licensee.

(b) Where a frequency modulated or a short-wave private commercial broadcasting station is operated by the same licensee simultaneously carrying the same programs as an amplitude modulated station, one licence only shall be required to authorize the operation of both stations.

(c) The annual licence fee to be paid in respect of stations operated by universities on a non-commercial basis shall be Fifty Dollars (\$50).

The final recommendations of the aforementioned Special Committee also made mention of the desirability of considering a longer licensing period for broadcasting stations and, with this in view, Regulation 5 of Part II of the Radio Regulations was amended, effective April 1, 1948, to provide that the

broadcasting station licences remain in force for a period of 3 years upon payment of annual fees. The amended Regulation reads as follows:

5. Duration of Licences:

1. Subject to the provisions of these regulations, all licences, excepting Private Commercial Broadcasting Station Licences, shall continue in force for the period commencing on the date of issue thereof and ending on the following 31st day of March; provided that licences for all stations excepting Private Commercial Broadcasting Stations, may be continued in force from year to year upon payment of appropriate annual licence fees, subject to termination by the Minister at the end of any fiscal year without notice and without payment of compensation.

2. Subject to the provisions of these regulations, licences for Private Commercial Broadcasting Stations shall continue in force for a period of three years commencing on the date of issue thereof and ending on the 31st day of March, but in the case of a licence issued after the 1st day of April in any fiscal year the licence shall terminate on the 31st day of March following the expiration of the three-year period, provided that for such stations a licence may be continued in force, for further periods of three years on payment of annual licence fees, subject to termination by the Minister at the end of any fiscal year without notice and without payment of compensation.

3. This regulation shall come into force on the 1st day of April, 1948.

One other change was made in the Radio Regulations having effect on the operations of broadcasting stations. On December 7, 1948, Regulation 31A of Part II of the Regulations was amended for the purpose of clarifying the matter of stock transfers by private companies and public companies. This was done after extended discussions with the law officers of the Crown and resulted in relieving public companies having stock on the open market from the necessity of obtaining the permission of the Minister before transferring shares, subject of course to the control remaining unchanged. This regulation, as amended, now prescribes as follows:

31A. (1) Private Commercial Broadcasting Station Licence shall be subject to the following conditions respecting ownership and operation:

- (a) The licence shall be conditional upon the licensee being the owner of the station licensed, and upon the ownership of the station licensed not being transferred without the permission of the Minister having been first obtained upon the recommendation of the Canadian Broadcasting Corporation;
- (b) Where the licensee is incorporated as a private company the licence shall be conditional upon the ownership or control of any share of the capital stock of the company not being transferred either directly or indirectly without the permission of the Minister having been first obtained, upon the recommendation of the Canadian Broadcasting Corporation, and upon the control of the station licensed not being transferred in any manner whatsoever without the permission of the Minister having been first obtained, upon the recommendation of the Canadian Broadcasting Corporation;
- (c) Where the licensee is a company other than a company incorporated as a private company the licence shall be conditional upon the control of the station licensed not being transferred in any manner whatsoever, to any person without the permission of the Minister having been first obtained upon the recommendation of the Canadian Broadcasting Corporation;

- (d) Except with the permission of the Minister given upon the recommendation of the Canadian Broadcasting Corporation, no person shall be licensed to operate more than one station and no licence shall be issued to or held by a company owned or controlled by a company holding a licence or to a company owning or controlling a company holding a licence;
- (e) The licence shall be conditional upon the station being operated in fact by the licensee in person or by bona fide employees of the licensee; provided, however, that this condition may be omitted or rescinded by the Minister acting upon the recommendation of the Canadian Broadcasting Corporation;
- (f) The Minister may require periodic or other returns to be made by the licensee of the revenues, profits and expenditures of the station, and any other information required by the Minister for the purpose of this Regulation and to ensure that such station is operated in the national interest and for the benefit of the community in which it is located.

(2) The expression "private company" in this section has the meaning provided by paragraph (j) of Section 3 of The Companies Act, 1934.

One other minor change in the Regulations should be noted. For several years, the Department has received representations with respect to destitute persons in institutions who have been given radio receiving sets. After consultation with the Canadian Broadcasting Corporation, Section 4 of Regulation 66, Part II, of the Radio Regulations, was amended effective October 22, 1949, to permit the issuance of licences without fee in such cases, and this Section, as amended, reads as follows, the amended wording being italicized:—

4. Special licences for eleemosynary or educational purposes may be granted for private receiving stations to any blind person upon satisfactory evidence being given that such person is blind, or to any hospital, sanatorium or other charitable institution owning or operating a private receiving station for the gratuitous entertainment of patients or inmates, *or to any patient or inmate of such institution upon satisfactory evidence being given that such person is wholly dependent upon charity,* or to any school receiving a federal or provincial Government grant owning or operating a private receiving station for educational purposes.

The Board of Governors of the C.B.C. recently recommended to my Minister that a licence fee be prescribed in respect of each and every radio receiver located in establishments, other than private residences, and to which one or more loud speakers are connected by wire lines. Discussions have taken place with law officers of the Crown, and as a result thereof, a new Regulation is now in process of preparation by departmental legal advisers which, if approved by the Minister, will become law this year.

Before closing my remarks, I believe that a short explanation of the method of payment of the full amount of the licence fee to the Canadian Broadcasting Corporation is in order.

As previously stated, Section 14 of The Canadian Broadcasting Act, 1936, provides that the Canadian Broadcasting Corporation is entitled to the full amount of \$2.50 paid by the licensee for his licence. However, the Department does not receive the total \$2.50.

There are over 9,800 authorized licence issuers, consisting of Post Offices, Chartered Banks, House-to-House Canvass Supervisors, Radio Dealers and the R.C.M.P. All of these issuers with the exception of Staff Post Offices

deduct their commissions before remitting the fees to the Department. (Staff Post Offices remit to the Department the full \$2.50 for each licence and at the end of each month we forward the commission of 5c. per licence to the Post Office Department.)

In order that the Canadian Broadcasting Corporation may receive the full \$2.50, it is, therefore, necessary to provide, by Parliamentary appropriation, for an amount to cover the cost of commissions.

The actual accounting is somewhat involved, the procedure followed in connection with payment to the Canadian Broadcasting Corporation being as follows:—

- (a) For the first six months of the fiscal year, monthly deposits by the Department of Finance to the credit of the Canadian Broadcasting Corporation are made up of two items—
 - (i) The total moneys received from the issuers during that month;
 - (ii) Seven per cent of item (i) as commissions. Due to the great volume of reports received at the beginning of each fiscal year, precise figures for the commissions paid to issuers cannot be determined as quickly as desired and, therefore, it was agreed, in consultation with Canadian Broadcasting Corporation officials to make monthly deposits of 7 per cent of the amount received from issuers during each month.
- (b) At the end of October in each year a detailed statement is prepared showing the amount of commissions paid to the various classes of issuers on Radio Licences issued between April 1st and September 30th, and a deposit covering the difference between the amount of commission paid to issuers and the total already deposited to the credit of the Canadian Broadcasting Corporation is made in favour of the Corporation.
- (c) For the last six months of the fiscal year, monthly deposits totalling the amount of moneys received from the issuers plus the actual amount of the commissions paid to issuers are made to the Canadian Broadcasting Corporation's account.

G. C. W. BROWNE,
Controller of Radio.

Radio Division,
Department of Transport,
June 1, 1950.

Appendix I

ISSUE

RADIO RECEIVING LICENCES

Fiscal Year	Number of Licences Issued		Total Revenue including Commissions	Cost of Collection Percentage of Revenue	
	Paid	Free		Commissions	Administration
1942-43.....	1,721,415	7,465	\$4,187,667.81	7.09	5.33
1943-44.....	1,763,004	7,896	4,288,882.23	7.13	5.37
1944-45.....	1,750,725	8,375	4,267,325.37	7.13	5.09
1945-46.....	1,745,916	8,435	4,260,379.14	6.93	5.45
1946-47.....	1,798,893	8,931	4,406,964.34	6.97	5.39
1947-48.....	1,933,351	10,676	4,725,191.11	6.91	5.16
1948-49.....	2,045,017	12,782	5,012,324.65	6.82	5.38
1949-50.....	2,161,635	15,810	5,321,006.53	6.23	5.74

Radio Division,
Department of Transport,
June 1, 1950.

Appendix II

PRIVATE RECEIVING STATION LICENCES ISSUES BY PROVINCES

Licence Issues by Provinces	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
British Columbia.....	149,481	157,060	162,655	165,281	168,950	173,097	181,821	186,108
Alberta.....	126,525	128,950	130,209	121,295	125,289	131,849	134,666	147,132
Saskatchewan.....	127,529	128,754	129,298	126,002	129,447	135,095	155,177	164,751
Manitoba.....	108,435	110,249	106,144	107,343	108,985	118,823	126,586	135,582
Ontario.....	637,116	647,167	627,348	607,968	628,075	677,299	704,993	715,290
Quebec.....	436,288	455,053	456,825	479,852	491,823	534,797	567,257	616,200
Nova Scotia.....	81,524	79,887	82,694	80,759	67,043	91,940	99,477	102,927
New Brunswick.....	52,745	52,698	53,240	55,043	57,159	68,484	75,559	76,581
Prince Edward Island.....	8,516	10,583	10,228	10,346	10,626	12,173	11,825	11,152
Newfoundland.....								21,323
Yukon and N.W.T.....	721	499	459	462	427	470	438	399
	1,728,880	1,770,900	1,759,100	1,754,351	1,807,824	1,944,027	2,057,799	2,177,445
Percentage of (increase or decrease)...	+7%	+2.4%	-1.3%	-0.3%	+3%	+7%	+6%	+5.5%

Radio Division,
Department of Transport,
June 1, 1950.

1949-50

RECEIVING STATION LICENCES ISSUED—2,177,445

PERCENTAGE BREAKDOWN BY PROVINCE

Ontario.....	32.85
Quebec.....	28.30
British Columbia.....	8.55
Saskatchewan.....	7.56
Alberta.....	6.76
Manitoba.....	6.22
Nova Scotia.....	4.72
New Brunswick.....	3.53
Newfoundland.....	0.98
Prince Edward Island.....	0.51
Yukon and Northwest Territories.....	0.02

Appendix III

PRIVATE RECEIVING STATION LICENCES

REVENUE BY PROVINCES

Revenue by Provinces	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
British Columbia.....	\$ 341,543.23	\$ 358,474.79	\$ 372,408.11	\$ 378,743.95	\$385,514.00	\$ 397,415.24	\$ 420,029.93	\$ 432,175.70
Alberta.....	269,538.25	274,138.50	278,014.47	261,010.25	269,625.87	286,330.18	295,166.28	326,788.90
Saskatchewan.....	261,335.57	264,056.15	267,069.84	260,777.46	268,390.51	284,294.75	327,024.41	354,786.80
Manitoba.....	237,611.05	241,191.17	233,781.02	234,732.12	243,904.55	264,395.05	283,526.88	307,178.80
Ontario.....	1,460,396.78	1,482,491.23	1,436,984.10	1,396,386.83	1,454,030.75	1,556,958.42	1,623,734.19	1,660,220.58
Quebec.....	1,001,362.45	1,044,229.66	1,047,982.75	1,106,823.69	1,132,791.09	1,226,061.18	1,302,235.31	1,428,880.90
Nova Scotia.....	182,283.92	178,472.21	185,603.52	181,150.30	194,769.41	205,814.15	224,356.91	235,461.30
New Brunswick.....	117,608.35	117,402.84	119,492.70	122,858.15	128,024.47	152,316.03	168,974.97	173,718.60
Prince Edward Island.....	17,585.78	21,520.66	21,008.74	21,257.53	21,944.58	25,025.76	24,475.75	23,201.50
Newfoundland.....								46,163.55
Yukon and Northwest Territories.....	1,412.93	935.67	855.97	862.96	799.91	885.10	818.02	777.70
	\$3,890,678.31	\$3,982,912.88	\$3,963,201.22	\$3,964,603.24	\$4,099,795.14	\$4,398,495.86	\$4,670,342.65	\$4,989,354.33
Percentage of increase or decrease.....	+7%	+2.4%	-0.5%	No appreciable change	+0.9%	+7.0%	+6.0%	+6.4%

Radio Division,
Department of Transport,
June 1, 1950.

1949-50

RECEIVING STATION LICENCE REVENUE—\$4,989,354.33

PERCENTAGE BREAKDOWN BY PROVINCES

	%
Ontario.....	33.28
Quebec.....	28.64
British Columbia.....	8.66
Saskatchewan.....	7.12
Alberta.....	6.55
Manitoba.....	6.15
Nova Scotia.....	4.72
New Brunswick.....	3.48
Newfoundland.....	0.92
Prince Edward Island.....	0.46
Yukon and Northwest Territories.....	0.02

Appendix IV

SUMMARY OF MONEYS RECEIVED AND PAID TO THE C.B.C. AS PROVIDED FOR IN SECTION 14 (1) (a) OF THE CANADIAN BROADCASTING ACT, 1936

R259

FISCAL YEARS 1942-43 TO 1946-47

	Receiving Licence Fees	Commercial Broadcasting Licence Fees	<i>Less</i>		Revenue Accruing to the C.B.C.		
			Total Revenue	Cost of Administration	Amount	Increase or Decrease	Per Cent of Increase or Decrease
1942-43.....	\$ 3,890,678.31	\$ 34,350.00	\$ 3,925,028.31	\$ 223,338.07	\$ 3,701,690.24	—	—
1943-44.....	3,982,912.88	35,150.00	4,018,062.88	230,176.37	3,787,886.51	+86,196.17	+2.3
1944-45.....	3,963,201.22	37,600.00	4,000,801.22	217,348.60	3,783,452.62	- 4,433.79	-0.1
1945-46.....	3,964,603.24	40,500.00	4,005,103.24	231,818.48	3,773,284.76	-10,167.86	-0.3
1946-47.....	4,099,795.14	43,550.00	4,143,345.14	237,503.97	3,905,841.17	+132,556.31	+3.4

On July 17, 1947, Section 14 (1) of The Canadian Broadcasting Act, 1936, was amended to read as follows:—"The Minister of Finance shall deposit from time to time in the Bank of Canada or in a chartered bank to be designated by him to the credit of the Corporation:—(a) the gross amount of the moneys received in each year from licence fees in respect of private receiving licences and private station broadcasting licences without deducting therefrom any costs of collection or administration; (b)..... (c)....."

Commencing April 1, 1947, the costs of collection have been paid by the Department.

FISCAL YEARS 1947-48 TO 1949-50

	Receiving Licence Fees	Commercial Broadcasting Licence Fees	<i>Plus</i>		Revenue Accruing to the C.B.C.		
			Total Revenue	Commissions	Amount	Increase or Decrease	Per Cent of Increase or Decrease
1947-48.....	\$ 4,398,495.86	\$ 73,100.00	\$ 4,471,595.86	\$ 326,695.25	\$ 4,798,291.11	\$+892,450.04	+18.6
1948-49.....	4,670,342.65	125,300.00	4,795,642.65	341,982.00	5,137,624.65	+339,333.54	+ 6.6
1949-50.....	4,989,354.33	153,700.00	5,143,054.33	331,652.20	5,474,706.53	+337,081.88	+ 6.5

June 1, 1950.

Appendix V

SUMMARY OF COSTS OF COLLECTING RECEIVING LICENCE FEES

FISCAL YEARS 1942-43 to 1946-47

DEPARTMENT OF TRANSPORT COSTS

	Salaries of Staff	Rental of Mechanized Equipment for Recording Licences	Printing and Stationery		Miscellaneous ²	Total D.O.T. Costs	Other Costs ³	Total Costs of Collection
			Licences	Other than Licences ¹				
1942-43.....	\$ 147,831.80	\$ 10,700.00	\$ 6,569.56	\$ 14,822.35	\$ 9,971.67	\$ 189,895.38	\$ 33,442.69	\$ 223,338.07
1943-44.....	153,809.84	10,662.00	6,698.79	18,203.95	10,395.47	199,770.05	30,406.32	230,176.37
1944-45.....	152,597.65	10,712.00	6,337.44	8,648.75	9,916.08	188,211.92	29,136.68	217,348.60
1945-46.....	156,791.35	10,737.00	6,511.40	17,338.55	11,183.78	202,562.08	29,256.40	231,818.48
1946-47.....	172,907.27	10,950.50	7,794.37	2,353.84	12,382.42	206,388.40	31,115.57	237,503.97

FISCAL YEARS 1947-48 to 1949-50

	Salaries of Staff	Rental of Mechanized Equipment for Recording Licences	Printing and Stationery		Miscellaneous ²	Total D.O.T. Costs	Other Costs ³	Total Costs of Collection
			Licences	Other than Licences ¹				
1947-48.....	\$ 189,436.96	\$ 13,566.50	\$ 9,380.67	\$ 19,419.62	\$ 12,006.55	\$ 243,810.30	\$ 326,695.25	\$ 570,505.55
1948-49.....	214,539.36	14,731.00	10,550.63	16,346.84	13,768.93	269,936.76	341,982.00	611,918.76
1949-50.....	244,207.90	14,826.00	16,475.06	16,951.77	13,268.34	305,729.07	331,652.20	637,381.27

¹ Includes printing of notice cards and all other printed forms other than the actual licences, and the purchase of all stationery including record cards used in connection with the mechanized equipment. Also, included under this heading is purchase and repair of ordinary office machinery such as typewriters and adding machines.

² Includes delivery charges such as postage, express, etc., money order fees covering remittances from postmasters, telephones and telegrams, bonding of employees and unforeseen incidentals.

³ Includes all costs additional to direct Department of Transport costs and involves salaries of staff of Treasury Branch engaged on licence work, and rentals of space occupied by licensing organization.

June 1, 1950.

1949-50

COSTS OF COLLECTING RECEIVING STATION LICENCE FEES—\$637,381.27

PERCENTAGE BREAKDOWN

	%
Commissions.....	52.02
Salaries.....	38.31
Printing and Stationery.....	5.26
Mechanical Equipment.....	2.33
Miscellaneous.....	2.08

Appendix VI

MECHANIZATION—RIDEAU BUILDING

POWERS KEY PUNCHING MACHINERY:

Machines	Rental
Key Punches—13 at \$35.00.....	\$ 455.00
Interpreter—2 at \$95.00.....	190.00
Sorters—3 at \$43.50.....	130.50
Tabulators—2 at \$230.00.....	460.00
Total Rental per Month.....	\$ 1,235.50
Total Rental per Annum.....	\$ 14,826.00

Punchers do 1,250 complete names and addresses per day (6½ hours).
 Tabulator speed 50 per minute for cards (complete).
 Tabulator speed 100 per minute for listing (complete).
 Interpreter speed 50 per minute (complete).
 Sorters speed 50 per minute (complete sortation to 8 places).

Radio Division,
 Department of Transport,
 June 1, 1950.

Appendix VII

ISSUERS

PRIVATE RECEIVING STATION LICENCES

Commissions Paid to Issuers:

Year	Total Commission Paid	Average Commission per Licence cts
1942-43.....	\$ 296,989.50	17.18
1943-44.....	305,969.35	17.28
1944-45.....	304,124.15	17.29
1945-46.....	295,775.90	16.99
1946-47.....	307,169.20	16.99
1947-48.....	326,695.25	16.80
1948-49.....	341,982.00	16.62
1949-50.....	331,652.20	15.34

Class of Issuers and Rate of Commission:

Class of Issuers	Number of Issuers	Rate of Commission
House-to-House Canvass.....	287	25c. (Supervisor 5c. Vendor 20c.)
Staff Post Offices.....	1,518	5c.
Accounting.....	5,870	15c.
Radio Dealers.....	1,459	15c.
Banks.....	663	15c.
R.C.M. Police.....	43	25c.
*Miscellaneous.....	42	None
	9,882	

Percentage of Licences Issued by Various Classes of Issuers:

	House-to-House Canvass	Post Offices	Radio Dealers	Banks	Misc.*	Free
1942-43.....	41.0	43.5	11.4	2.8	0.9	0.4
1943-44.....	42.5	43.1	10.4	2.6	0.9	0.5
1944-45.....	43.0	43.4	9.7	2.5	0.9	0.5
1945-46.....	40.1	46.6	9.4	2.7	0.7	0.5
1946-47.....	39.1	47.2	9.8	2.7	0.7	0.5
1947-48.....	39.8	47.0	9.5	2.6	0.6	0.5
1948-49.....	38.4	48.7	9.3	2.4	0.6	0.6
1949-50.....	39.4	47.9	8.8	2.4	0.8	0.7

* Includes Radio Inspectors, Marine Agents and Ottawa Licence Section.

Radio Division,
Department of Transport,
June 1, 1950.

1949-50

NUMBER OF VARIOUS CLASSES OF RECEIVING STATION LICENCE ISSUERS—9,882

PERCENTAGE BREAKDOWN

	%
Accounting Post Offices.....	59.40
Staff Post Offices.....	15.36
Radio Dealers.....	14.76
Banks.....	6.70
House-to-House Canvassers.....	2.91
R.C.M. Police.....	0.44
Miscellaneous.....	0.43

1949-50

PERCENTAGE OF RECEIVING STATION LICENCES ISSUED BY VARIOUS CLASSES OF ISSUERS

	%
Staff and Accounting Post Offices.....	47.9
House-to-House Canvassers.....	39.4
Radio Dealers.....	8.8
Banks.....	2.4
Miscellaneous.....	0.8
Free.....	0.7

Appendix VIII

PRIVATE RECEIVING STATION LICENCES

Issued Without Fee:

	Blind Persons	Hospitals and Charitable Institutions	Schools and Educational Purposes	Crystal Sets	Active Service Forces	Govt.	Total
1942-43.....	5,973	80	1,042	94	242	34	7,465
1943-44.....	6,013	57	1,326	42	442	16	7,896
1944-45.....	6,081	69	1,788	32	381	24	8,375
1945-46.....	6,406	46	1,661	28	272	22	8,435
1946-47.....	6,514	38	2,256	22	59	42	8,931
1947-48.....	7,025	49	3,491	16	95	10,676
1948-49.....	7,815	33	4,856	10	68	12,782
1949-50.....	8,513	99	6,764	2	432	15,810

Sets in Automobiles:

	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
British Columbia.....	2,887	2,676	2,779	2,673	2,689	3,043	3,851	4,455
Alberta.....	5,337	5,022	5,294	4,957	5,097	7,006	9,574	13,479
Saskatchewan.....	5,434	5,765	6,576	6,840	7,382	9,673	13,811	21,489
Manitoba.....	4,284	3,507	3,240	3,718	4,725	5,515	8,037	11,403
Ontario.....	20,141	17,066	15,439	14,728	14,973	18,084	22,977	28,623
Quebec.....	16,388	15,082	14,357	14,710	14,666	16,590	26,972	39,206
Nova Scotia.....	2,343	2,248	2,232	2,020	2,177	2,749	3,518	4,599
New Brunswick.....	1,288	1,191	1,350	1,339	1,547	2,380	3,695	4,095
Prince Edward Island.....	141	214	210	177	222	273	330	373
Newfoundland.....								323
Yukon and N.W.T.....	1				1			3
	58,244	52,771	51,477	51,162	53,479	65,313	92,765	128,048

Radio Division,
Department of Transport,
June 1, 1950.

1949-50

RECEIVING STATION LICENCES ISSUED WITHOUT FEE—15,810

PERCENTAGE BREAKDOWN

Blind Persons.....	53.85
Schools, etc.....	42.79
Government.....	2.73
Hospitals, etc.....	.62
Crystal Sets.....	.01

1949-50

RECEIVING STATION LICENCES ISSUED FOR SETS IN AUTOMOBILES—128,048

PERCENTAGE BREAKDOWN BY PROVINCES

Quebec.....	30.62
Ontario.....	22.36
Saskatchewan.....	16.78
Alberta.....	10.53
Manitoba.....	8.91
Nova Scotia.....	3.58
British Columbia.....	3.48
New Brunswick.....	3.20
Prince Edward Island.....	0.29
Newfoundland.....	0.25

Appendix IX

PROSECUTIONS

UNLICENSED RECEIVING SET OWNERS

Convictions by Province:

	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
British Columbia.....	453	503	359	366	193	233	212	379
Alberta.....	301	445	293	793	933	639	635	547
Saskatchewan.....	420	460	490	350	490	553	423	355
Manitoba.....	130	131	115	255	205	354	402	637
Ontario.....	1,977	3,449	3,411	5,978	8,755	7,744	7,749	5,511
Quebec.....	1,532	2,298	1,850	2,239	1,835	2,007	1,725	875
Nova Scotia.....	327	572	747	864	738	580	944	795
New Brunswick.....	269	239	385	340	112	271	333	195
Prince Edward Island.....	54	348	193	221	127	167	53	240
Newfoundland.....								
Yukon and N.W.T.....	2							
TOTAL.....	5,465	8,445	7,843	11,406	13,388	12,548	12,461	9,534

Radio Division,
Department of Transport,
June 1, 1950.

FINAL

DEPARTMENT OF TRANSPORT

RADIO DIVISION

ISSUE OF RECEIVING STATION LICENCES IN DOMINION OF CANADA

STATEMENT SHOWING ISSUE FOR FISCAL YEAR 1948-49 AND FISCAL YEAR 1949-50

	1948-49 Fiscal Year	1949-50 Fiscal Year		1948-49 Fiscal Year	1949-50 Fiscal Year
Newfoundland.....		21,323	Manitoba.....	126,586	135,582
Prince Edward Island.....	11,825	11,152	Saskatchewan.....	155,177	164,751
Nova Scotia.....	99,477	102,927	Alberta.....	134,666	147,132
New Brunswick.....	75,559	76,581	British Columbia.....	181,821	186,108
Quebec.....	567,257	616,200	Yukon and N.W.T.....	438	399
Ontario.....	704,993	715,290		2,057,799	2,177,445

Issues for same period last year—2,057,799—Increase 119,646

BY PRINCIPAL TOWNS AND CITIES UNDER PROVINCES

<i>Prov. of Newfoundland</i>					
BELL ISLAND MINES.....		1,266	Trenton.....	432	381
BOTWOOD.....		149	*TRURO.....	2,954	3,142
CARBONEAR.....		271	Westville.....	892	801
CORNER BROOK.....		1,488	Windsor.....	831	893
DEER LAKE.....		352	Wolfville.....	724	765
GRAND BANKS.....		80	*YARMOUTH.....	2,043	2,113
GRAND FALLS.....		201	Miscellaneous.....	43,845	44,745
HARBOUR GRACE.....		276			
HUMBERMOUTH.....		103	<i>Prov. of New Brunswick</i>		
ST. JOHN'S.....		6,823	*Bathurst.....	1,534	1,444
WINDSOR.....		128	CAMPBELLTON.....	1,458	1,505
Miscellaneous.....		10,186	*Chatham.....	708	654
			*Dalhousie.....	923	953
<i>Prov. of Prince Edward Island</i>			*EDMUNDSTON.....	1,697	2,179
CHARLOTTETOWN.....	3,170	2,535	FREDERICTON.....	4,219	4,201
SUMMERSIDE.....	1,147	1,106	Grand Falls.....	836	963
Miscellaneous.....	7,508	7,511	MONCTON.....	7,051	7,038
			*Newcastle.....	627	632
<i>Prov. of Nova Scotia</i>			*SAINT JOHN.....	14,805	14,430
AMHERST.....	2,258	2,548	St. Stephen.....	1,087	1,090
*Antigonish.....	559	525	Sackville.....	994	985
Berwick.....	562	570	*Shediac.....	526	602
Bridgetown.....	591	607	*Sussex.....	1,165	1,284
Bridgewater.....	1,000	987	*Woodstock.....	1,388	1,380
DARTMOUTH.....	3,081	3,360	Miscellaneous.....	36,541	37,241
Digby.....	692	708			
*Dominion.....	303	401	<i>Prov. of Quebec</i>		
*GLACE BAY.....	3,498	3,433	Acton Vale.....	715	707
*HALIFAX.....	15,942	16,843	Amos.....	785	847
Inverness.....	344	358	Arthabaska.....	339	395
Kentville.....	1,486	1,595	Arvida.....	1,202	1,809
Liverpool.....	713	777	*ASBESTOS.....	1,317	1,452
Lunenburg.....	1,030	1,051	Aylmer.....	621	679
Middleton.....	553	638	Bagotville.....	721	719
NEW GLASGOW.....	2,047	2,007	Baie St. Paul.....	558	613
*NEW WATERFORD.....	1,436	1,559	*Beauceville.....	533	579
*NORTH SYDNEY.....	1,351	1,217	Beauharnois.....	965	1,000
*Parrsboro.....	549	554	Beauport.....	1,141	1,169
*Pictou.....	805	791	*Beloel and Station.....	619	689
*Reserve and Reserve Mines..	284	363	*Berthierville.....	868	877
*SPRINGHILL.....	1,683	1,658	Black Lake.....	395	439
STELLARTON.....	888	894	Brownsburg.....	764	789
*SYDNEY.....	4,823	5,352	*Buckingham.....	901	1,006
*SYDNEY MINES.....	1,278	1,291	Cabano.....	436	360
			CAP DE LA MADELEINE.....	2,342	2,531

Radio Division—Con.

	1948-49 Fiscal Year	1949-50 Fiscal Year		1948-49 Fiscal Year	1949-50 Fiscal Year
<i>Prov. of Quebec—(Con.)</i>					
*Chambly.....	861	905	St. Romauld d'Etchemin....	708	655
*Charlesbourg.....	617	838	*Ste. Rose (Laval).....	836	954
*Charny.....	611	636	Ste. Therese.....	1,454	1,410
*Chateauguay.....	649	538	St. Tite.....	588	613
*CHICOUTIMI.....	3,870	3,764	St. Vincent de Paul.....	604	669
Coaticook.....	1,341	1,494	Sayabec.....	434	442
Cowansville.....	802	911	SHAWINIGAN FALLS.....	6,065	6,324
Danville.....	667	720	Sherbrooke.....	9,882	10,536
Dolbeau.....	271	697	†SOREL.....	2,369	2,356
Donnacoona.....	607	649	Terrebonne.....	821	790
*DRUMMONDVILLE.....	4,082	4,036	THETFORD MINES.....	3,088	3,205
East Angus.....	732	754	THREE RIVERS.....	8,759	8,809
Farnham.....	988	1,215	Timiskaming Station.....	221	354
Gatineau Pt. and Mills.....	1,254	1,407	Trois Pistoles.....	558	713
GRANBY.....	3,721	4,017	Val d'Or.....	1,195	1,766
*Grand Baie.....	457	422	*VALLEYFIELD.....	4,284	4,821
GRAND'MERE.....	1,729	1,904	VICTORIAVILLE.....	2,116	2,644
*HULL.....	6,714	6,883	Waterloo.....	817	917
Huntington.....	697	809	*Windsor.....	711	768
Iberville.....	1,109	1,204	Miscellaneous.....	139,724	153,870
JOLIETTE.....	2,663	3,053	<i>Prov. of Ontario</i>		
JONQUIERE.....	2,813	3,240	Acton.....	577	536
*KENOGAMI.....	1,322	1,386	Ajax.....	451	446
*LACHUTE.....	1,482	1,572	Alexandria.....	424	382
*La Malbaie.....	522	508	Almonte.....	677	664
Laprairie.....	687	683	Amherstburg.....	777	810
La Sarre.....	421	626	Ansonville.....	359	382
LA TUQUE.....	1,228	1,302	Arnprior.....	1,170	1,193
Lennoxville.....	728	859	Aurora.....	807	701
L'Epiphanie.....	429	531	Aylmer.....	1,266	1,270
*LEVIS.....	4,230	4,426	BARRIE.....	1,758	2,032
*Loretteville.....	693	830	Beamsville.....	661	626
Louiseville.....	995	1,033	BELLEVILLE.....	4,698	5,067
MAGOG.....	2,114	2,251	Blenheim.....	1,131	1,213
Malartic.....	675	767	Blind River.....	227	203
Maniwaki.....	425	438	*BOWMANVILLE.....	1,142	1,118
Marieville.....	796	855	Bracebridge.....	688	661
Masson.....	272	295	BRAMPTON.....	1,875	1,793
Matane.....	1,269	1,482	*Brantford.....	9,780	9,673
Megantic (Lac).....	989	943	Brighton.....	463	464
Mont Joli.....	779	735	BROCKVILLE.....	3,207	3,470
Mont Laurier.....	316	369	Burlington.....	1,055	1,071
*Montmagny.....	1,645	1,777	Caledonia.....	503	528
*MONTMORENCY.....	1,026	1,055	Campbellford.....	779	801
*MONTREAL.....	242,745	262,479	Carleton Place.....	1,033	1,010
Nicolet.....	465	639	CHATHAM.....	5,736	6,008
Noranda.....	1,211	1,322	Chesley.....	465	521
Plessisville.....	1,063	1,096	Chesterville.....	403	379
Port Alfred.....	595	614	Clinton.....	703	668
*Price.....	488	540	*Cobalt.....	432	532
*QUEBEC.....	32,887	35,919	COBOURG.....	1,175	1,231
Richmond.....	779	901	Cochrane.....	580	539
RIMOUSKI.....	2,136	2,300	COLLINGWOOD.....	1,305	1,329
*RIVIERE DU LOUP.....	1,786	1,789	Coniston.....	411	454
Roberval.....	429	780	Copper Cliff.....	910	793
ROUYN.....	1,529	1,932	*CORNWALL.....	6,145	6,115
Ste. Agathe des Monts.....	728	783	Delhi.....	522	704
Ste. Anne de Beaupre.....	348	368	Dresden.....	673	833
Ste. Anne de Bellevue.....	677	698	Dryden.....	776	831
*St. Anne de la Pocatiere.....	589	618	Dundas.....	1,559	1,373
*St. Eustache.....	1,225	1,405	*Dunnville.....	1,031	1,068
*St. Georges de Beauce.....	1,319	1,365	Durham.....	381	476
*St. Hyacinthe.....	5,229	5,377	Elmira.....	619	657
St. Jean.....	3,929	4,102	Essex.....	656	697
St. Jerome.....	3,002	2,977	Exeter.....	617	583
St. Joseph D'Alma.....	704	1,233	Fergus.....	935	876
St. Joseph de Sorel.....	933	992	Forest.....	570	521
St. Louis de Courville.....	438	484	*FORT ERIE.....	1,686	1,592
St. Marc des Carrieres.....	352	383	FORT FRANCES.....	1,644	1,746
St. Martin (Laval).....	329	393	FORT WILLIAM.....	8,923	9,362
St. Raymond.....	588	606			

SPECIAL COMMITTEE

Radio Division—Con.

	1948-49 Fiscal Year	1949-50 Fiscal Year		1948-49 Fiscal Year	1949-50 Fiscal Year
<i>Prov. of Ontario—(Con).</i>					
GALT.....	4,204	4,265	Ridgetown.....	719	719
Gananoque.....	1,174	1,380	Rockland and East.....	305	301
Georgetown.....	724	648	St. CATHARINES.....	9,622	10,107
Geraldton.....	878	854	St. Mary's.....	998	939
Goderich.....	1,339	1,506	*ST. THOMAS.....	4,658	5,023
*Gravenhurst.....	543	541	SARNIA.....	5,418	5,405
*Grimsby.....	939	903	*SAULT STE. MARIE.....	7,369	7,708
GUELPH.....	4,353	4,560	Schumacher.....	645	612
Hagersville.....	509	550	Seaforth.....	653	619
Haileybury.....	331	406	SIMCOE.....	1,649	1,553
*HAMILTON.....	42,020	41,316	Sioux Lookout.....	635	648
Hanover.....	960	1,037	SMITHS FALLS.....	1,859	1,754
Harrow.....	461	506	*SOUTH PORCUPINE.....	1,560	1,508
HAWKESBURY.....	935	1,011	STRATFORD.....	4,005	3,870
Hespeler.....	808	777	Strathroy.....	961	787
Humberstone.....	637	536	Sturgeon Falls.....	681	750
Huntsville.....	804	837	*SUDBURY.....	7,519	7,127
*INGERSOLL.....	1,779	1,501	Tavistock.....	417	416
Iroquois.....	428	402	Tecumseh.....	604	635
Kapusking.....	783	954	*THOROLD.....	1,208	1,282
Kemptville.....	524	488	Tilbury.....	914	895
KENORA.....	1,876	1,906	Tillsonburg.....	1,470	1,124
Kincardine.....	681	714	TIMMINS.....	4,997	4,844
*KINGSTON.....	9,321	9,887	*TORONTO.....	186,681	187,982
Kingsville.....	819	781	TRENTON.....	2,314	2,483
KIRKLAND LAKE.....	2,279	2,359	Uxbridge.....	491	538
KITCHENER.....	9,546	10,040	Walkerton.....	799	814
LEAMINGTON.....	1,976	2,005	Wallaceburg.....	1,649	1,698
LINDSAY.....	1,981	1,863	Waterford.....	590	546
Listowel.....	786	831	WATERLOO.....	2,801	2,964
*LONDON.....	21,869	20,809	*WELLAND.....	3,956	4,269
Mattawa.....	328	472	*WHITBY.....	1,082	1,118
Meaford.....	589	577	Warton.....	470	488
Merriton.....	860	931	*Winchester.....	514	484
MIDLAND.....	1,183	1,388	*WINDSOR.....	19,201	22,575
*Milton West.....	718	684	Wingham.....	512	521
Mitchell.....	698	675	WOODSTOCK.....	3,334	2,861
Morrisburg.....	447	523	Miscellaneous.....	119,593	119,573
Napanee.....	1,435	1,526	<i>Prov. of Manitoba</i>		
New Liskeard.....	570	793	BRANDON.....	4,516	4,728
Newmarket.....	1,432	1,429	Carman.....	684	619
*NIAGARA FALLS.....	6,702	6,780	Dauphin.....	1,625	1,704
Niagara-on-the-Lake.....	551	614	FLIN FLON.....	1,566	1,787
*NORTH BAY.....	4,433	4,693	Grandview.....	381	391
*Norwich.....	459	463	Minnedosa.....	570	658
Oakville.....	1,264	1,183	Morden.....	504	574
Orangeville.....	509	512	Neepawa.....	816	967
ORILLIA.....	2,596	2,813	PORTAGE LA PRAIRIE.....	2,155	2,281
*OSHAWA.....	7,134	7,162	Selkirk.....	943	904
*OTTAWA.....	41,094	42,155	Souris.....	505	565
*OWEN SOUND.....	3,226	3,374	Swan River.....	569	588
*Paris.....	1,593	1,766	The Pas.....	488	649
*PARRY SOUND.....	1,118	1,227	TRANSCONA.....	1,364	1,429
PEMBROKE.....	2,477	2,486	Virden.....	527	635
Penetanguishene.....	592	718	*WINNIPEG.....	72,083	75,988
Perth.....	1,550	1,540	Miscellaneous.....	37,290	41,115
PETERBORO.....	8,191	7,931	<i>Prov. of Saskatchewan</i>		
Petrolia.....	777	790	Assiniboia.....	577	654
Pictou.....	1,489	1,655	Biggar.....	763	850
*PORT ARTHUR.....	7,053	7,822	Estevan.....	899	1,124
PORT COLBORNE.....	1,696	1,706	Humboldt.....	639	776
Port Credit.....	1,128	1,619	Indian Head.....	553	655
Port Dalhousie.....	620	636	Kamsack.....	645	856
Port Dover.....	370	315	Kindersley.....	598	695
Port Elgin.....	498	513	*Lloydminster.....	831	1,077
PORT HOPE.....	1,685	1,715	Maple Creek.....	546	607
Port Perry.....	543	555	Melfort.....	944	1,116
Portsmouth.....	255	303			
*Prescott.....	757	758			
PRESTON.....	1,339	1,385			
RENFREW.....	1,549	1,424			

Radio Division—Con.

<i>Prov. of Saskatchewan—(Con.)</i>					
Melville.....	1,194	1,333	Vermilion.....	701	721
MOOSE JAW.....	7,316	7,884	Wetaskiwin.....	1,232	1,366
Moosomin.....	492	519	Miscellaneous.....	54,530	58,346
Nipawin.....	858	1,087	<i>Prov. of British Columbia</i>		
N. Battleford.....	2,254	2,331	Abbotsford.....	713	1,080
*PRINCE ALBERT.....	3,966	4,378	Alberni.....	841	689
*REGINA.....	17,830	19,942	Armstrong.....	579	623
Rosetown.....	820	944	Chilliwack.....	1,976	2,138
*SASKATOON.....	15,644	16,573	Cloverdale.....	670	1,109
Shaunavon.....	517	615	*Courtenay.....	776	730
SWIFT CURRENT.....	1,959	2,192	Cranbrook.....	1,080	1,014
Tisdale.....	698	878	Cumberland.....	531	518
WEYBURN.....	1,390	1,664	*Duncan.....	1,144	1,101
Wilkie.....	505	618	Fernie.....	801	812
YORKTON.....	1,539	1,813	Hollyburn.....	1,491	2,019
Miscellaneous.....	91,200	93,570	*KAMLOOPS.....	1,916	2,204
<i>Prov. of Alberta</i>					
Banff.....	430	432	*KELOWNA.....	3,078	3,500
Blairmore.....	472	506	Kimberley.....	923	1,190
*CALGARY.....	24,972	27,362	Ladysmith.....	806	941
Camrose.....	1,069	1,151	*Mission City.....	706	790
Claresholm.....	483	487	*NANAIMO.....	3,129	2,993
Coleman.....	627	636	*NELSON.....	2,314	2,337
Drumheller.....	870	1,193	*NEW WESTMINSTER.....	13,221	14,263
*EDMONTON.....	31,674	35,646	Oliver.....	480	573
Hanna.....	550	541	PENTICTON.....	2,086	1,940
High River.....	477	481	Port Alberni.....	1,429	1,556
Innisfail.....	546	675	Port Coquitlam.....	542	699
Lacombe.....	1,053	1,080	*Powell River.....	1,296	1,171
Leduc.....	702	763	Prince George.....	743	666
LETHBRIDGE.....	4,310	4,609	PRINCE RUPERT.....	1,540	1,600
Macleod.....	469	505	*Revelstoke.....	568	666
MEDICINE HAT.....	3,357	3,702	Rossland.....	1,063	1,088
Olds.....	486	581	Salmon Arm.....	548	574
Ponoka.....	1,162	1,218	Sardis.....	723	679
Raymond.....	327	473	Steveston.....	1,201	538
Red Deer.....	1,509	1,919	*TRAIL.....	3,062	3,133
Stettler.....	700	726	*VANCOUVER.....	81,162	80,578
Taber.....	581	625	*VERNON.....	2,508	2,698
Tofield.....	535	518	*VICTORIA.....	21,818	22,613
Vegreville.....	842	870	White Rock.....	965	1,171
			Miscellaneous.....	23,392	24,114

* Suburbs and surrounding small towns and villages included in each case, particulars of which are shown on attached sheets.

Capitals and small capitals indicate a population of 5,000 or over, lower case type approximately 1,900 or over.

The following were issued free of fee and are included in the above totals.

	1948-49	1949-50
Blind.....	7,815	8,513
Charitable Institutions.....	33	99
Schools.....	4,856	6,764
Crystal Sets.....	10	2
Government.....	68	432

The CHAIRMAN: I do not know that you will wish that Mr. Browne should actually read the brief but rather you might go down the documents and ask questions as you see fit—going from paragraph to paragraph.

G. C. W. Browne, Controller of Radio, called:

Mr. FLEMING: The brief deals with certain subjects which we can take one at a time.

The CHAIRMAN: I can run down a few paragraphs and ask to look at them and whether you have any questions in that field.

The WITNESS: May I say with regard to this list of stations that I thought it desirable to produce a list of this kind so that if there were any questions regarding broadcasting this would be a convenient reference.

The CHAIRMAN: It is very good, and you usually do present that too, but I do not think it is necessary to print it.

Mr. FLEMING: All of the material presented by Mr. Browne is in excellent form and a form that is going to be helpful to us.

The CHAIRMAN: Will you run down the first page and see if it suggests any questions to you?

By Mr. Fleming:

Q. On the subject of licensing, Mr. Chairman, it was dealt with in a general way but I would like to ask Mr. Browne some questions. Is the Minister of Transport exercising all of the functions that the Minister of Transport under the Radio Act and regulations thereunder now exercises?—A. That is correct.

Q. That has been the case for the last two years?—A. It has always been so—that the Minister of Transport has exercised that function. During the war years it was under the jurisdiction, consecutively, of the Minister of Transport, the Minister of Munitions and Supply, the Minister of Reconstruction and Supply, and finally again the Minister of Transport.

Q. At the time Mr. Chevrier took over from Mr. Howe he functioned under the Act and the regulations—that was just a couple of years ago?—A. Yes, approximately.

Q. You have now the problem of licensing for television as well, have you not?—A. That is correct.

Q. Have you received any application for licences in the field of television?—A. The department has, yes.

Q. What action has been taken on those?—A. They have been referred, in accordance with the provisions I believe of section 24 of the Canadian Broadcasting Act to the Canadian Broadcasting Corporation for a recommendation to the minister.

Q. Has the C.B.C. reported back to the department on those applications that have been referred by your department to them?—A. Yes.

Q. In every case?—A. I do not think reports or recommendations have been received in every case. There have been general recommendations as to policy.

Q. Could you outline those to us?—A. In general it was suggested that in the case of certain cities, for example Montreal and Toronto, that the applicants get together as it were and make a joint proposal for a jointly operated station.

Q. Is that a concrete recommendation by the C.B.C. to the minister?—A. I believe so, yes.

Q. I am speaking subject to correction, Mr. Chairman, but I rather got the impression that the evidence of Mr. Dunton was that suggestion had been made

to applicants in Toronto particularly, and I believe also in Montreal, but, in view of the sittings of the Massey Commission, the C.B.C. was just closing the door temporarily on applications and not taking any action on them. I did not get the impression the C.B.C. had actually made a representation to the minister in any case in reference to this so-called "co-operative licensing"—I think that was the expression used.

By the Chairman:

Q. Yes, I think you are right. I think Mr. Dunton gave what was the attitude of the C.B.C. and I think probably he left it open as to whether he had formally made a recommendation to Transport as to that effect, or whether Transport might just have noticed what was said publicly, or it may be that it was also a recommendation formally?—A. I think that is correct, Mr. Chairman. Subsequent to one meeting of the board recommendations which they submitted to the Minister had annexed a copy of public announcement number 26 headed "statement on television by board of governors of the C.B.C." dated April 11, 1949.

Q. We had that in the record already.—A. That in turn includes a statement which is as follows:

In any city or area in Canada including Montreal and Toronto, a licence to establish one private station will be granted to a private organization giving adequate assurances of financial means and of service. In view of the high cost of television operations, it is felt that individuals or groups interested in establishing a private station in any city may wish to form an association for the purpose of applying for a licence.

By Mr. Fleming:

Q. That was just contained in a report to the minister to the board of governors?—A. It was annexed to the report.

Q. Is that a general report or a report on a specific application?—A. That is a general report.

Q. Has any action been taken on that report?—A. No, other than its acceptance.

Q. What do you mean by acceptance?—A. The report was approved by the department.

Q. In what form?—A. I do not understand you, Mr. Fleming.

Q. What form did the approval by the department take?—A. The report goes directly to the minister from the board and the minister passes it to the department with his approval of the recommendations.

Q. So we may take it the minister in exercising his powers under the Radio Broadcasting Act has given approval to the recommendations contained in the report you have just read?—A. That is right.

Q. That report went to the minister when?—A. I do not know when it actually went to the minister; I am not sure if I have a date on that.

By the Chairman:

Q. Excuse me, it was not of course sent out by you; it was sent by the C.B.C. to the minister?—A. That is right, Mr. Chairman. It goes from the C.B.C. board to the minister.

Q. Then you have no direct knowledge as to when it was sent?—A. On the file there might be a stamp or there might be a date on the memo from the minister himself to my deputy.

By Mr. Fleming:

Q. Can you fix the date approximately?—A. I would say within a month.

Q. Within the last month?—A. No, this was in April of 1949. It would be within a month after that.

Q. I am sorry, you think it was a month after that that the department received it?—A. Yes, approximately I would say.

Q. When did the minister give his approval?—A. I would say within a few days after he received it.

Q. Is that the only report of a general nature that has gone to the minister from the board of governors with reference to the licensing of private applicants for television stations?—A. There was a previous public statement by the board dated November 3rd 1948.

Q. Yes, we have had that one.

The CHAIRMAN: Yes, it is on file also.

The WITNESS: I believe there was another one in May 1948.

By Mr. Fleming:

Q. Yes, those are the three; I think we have them all. Probably, we could shorten it this way, Mr. Browne. I understand the board of governors submitted to the minister in pursuance of the terms of the Radio Broadcasting Act those three statements of policy as recommendations to the minister and the minister approved them all?—A. That is true.

Q. Apart from this are there any other recommendations in relation to this subject, of a general nature, from the board of governors to the minister?—A. There were two others which I have not mentioned: one in 1936 which read as follows:

Television stations

The Board 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.

The CHAIRMAN: That was in 1936?

The WITNESS: Yes.

By Mr. Fleming:

Q. I take it that was approved by the minister?—A. Yes, and I have one here dated September 1947.

The Board of Governors will be ready to make recommendations regarding bona fide applications for television broadcasting licences coming before it. In making any such recommendations it will have public interest carefully in mind. The Board considers it necessary that technical standards for television be adopted by the Department of Transport and an allocation plan for the use of frequencies be established, including necessary arrangements with the United States.

Q. Was that recommendation approved by the minister?—A. Yes.

Q. We have five recommendations of a general nature in reference to licensing of private licensees for television, all of which have been approved by the minister?—A. That is correct.

Q. Was there anything in those three last reports to the minister apart from the three respective statements of policy of the C.B.C. which we have already on record?—A. I do not believe there was, because no specific cases were dealt with at that time, in those years.

Q. So we may take your statement as being that there is nothing in those reports except statements of policy that have already been given to us by the C.B.C.?—A. That is correct.

Q. Did they recommend those statements of policy be endorsed and approved by the minister?—A. That was the recommendation.

Q. Have any recommendations gone forward from C.B.C. to the minister with respect to specific applications apart from those general recommendations?—A. I believe not.

The CHAIRMAN: Just a moment. I am sure you mean any recommendation to the minister, as dealt with by him so that it came back to your desk—because you see, otherwise, Mr. Browne would only be dealing with what he saw in the newspapers perhaps. There might be a letter from the board to the minister but it would not get to Mr. Browne.

By Mr. Fleming:

Q. Let us clarify that. What is the ordinary course? Do those recommendations go to the minister first, or do they come to you?—A. They go to the minister first.

Q. What is the practice in the department? Is it referred to you?—A. To the deputy minister.

Q. Referred to you for recommendation?—A. For action, through the deputy minister.

Q. Does the minister give his approval before you see the document or are you consulted before approval is given?—A. We are consulted before approval is given in case there may be any technical flaws or objections.

Q. If any recommendation came in, unless it came in within very recent days, in all likelihood you would have seen it?—A. I would think so.

Q. You have seen no recommendation with regard to any specific applications?—A. Oh, no.

Q. So in the field of licensing of private licensees for television, these five reports all have gone to the minister and they have all been approved by the minister?—A. As far as I am aware, yes.

Mr. LANGLOIS: I have a few questions to ask Mr. Browne. They deal partly with page 1 and partly with page 2 which is a continuation of the same subject.

Mr. SMITH (*Calgary West*): I wonder if you would permit me one question before we change the subject. You know of no recommendations of the C.B.C. board which were turned down by the Minister?

The WITNESS: That is on the standard broadcasting band?

The CHAIRMAN: On television, or generally?

Mr. SMITH (*Calgary West*): Generally?

The WITNESS: I am not aware of any.

Mr. FLEMING: I think we had it before that in no case has the minister ever departed from the recommendation of the C.B.C. board of governors under the Broadcasting Act.

The CHAIRMAN: That is Mr. Dunton's evidence—

The WITNESS: In the matter of granting a new licence?

Mr. FLEMING: Yes?

The WITNESS: That is correct.

By Mr. Langlois:

Q. My questions deal with private receiving station licensees. On page 2 I see the report mentions that for the fiscal year 1949-50, 2,170,445 licences were issued, resulting in a gross revenue of \$4,989,354.33. Does that include only private receiving station licences?—A. That is correct.

Q. And I see in the following sentence you say you have paid \$331,652.20 on commissions deducted by issuers. Those are on private receiving station licences also?—A. Yes.

Q. In the third paragraph down you say that in the year 1949-50 it cost the department \$305,729.07 for the operation of the organization involving the distribution and the recording of receiving licences. What does that item cover exactly? I understand that the amount is in addition to that paid to issuers?—A. That is correct. It is in addition to the commission. That covers personnel here in Ottawa where all these licence records are kept. I believe there are some 105 people. In Appendix V, Mr. Langlois, you will find a breakdown of the costs.

Q. Appendix V?—A. Yes; the last line in the tabulation there, in the statement at the bottom, I believe, you will find that.

The CHAIRMAN: The second last column shows the figure which you mentioned, \$331,652.20. The third last column shows \$305,729.07.

Mr. LANGLOIS: So I take it, Mr. Browne, that the total cost of the collection of those private receiving station licences by your department amounts to \$637,381.27.

The WITNESS: That is exactly right.

Mr. FLEMING: For the last year.

By Mr. Langlois:

Q. That is for a gross revenue of \$4,989,354.33?—A. Yes.

Q. Have you worked out the percentage?—A. Yes, I believe it is of the order of 12 per cent.

Q. About 12 per cent?—A. Half of which is commissions.

Mr. FLEMING: It is shown in Appendix I, the last two figures: 6.32 per cent for commissions and 5.74 per cent for administration. The total is 11.79 per cent for the last year.

The CHAIRMAN: May I also ask you to look at the page which follows the one we have been looking at, Appendix V: it is shown there in graphical form in the way of a circle.

Mr. LANGLOIS: Now, Mr. Browne, I know, this is a very general question but are you satisfied with your experience in this collection of licence fees for private stations?

Mr. FLEMING: Stations?

The CHAIRMAN: How do you mean, is he satisfied?

Mr. LANGLOIS: Is he satisfied with the money he is getting for these private receiving station licences. That is the expression as he has it here in the title of this brief.

The CHAIRMAN: I suppose the terminology of Mr. Browne is that he calls a receiver a station and also a sender a station.

Mr. LANGLOIS: "Private receiving station licences", that is the term used here.

The CHAIRMAN: It makes no difference as long as it is clear. We are all talking about receivers.

The WITNESS: It is not the receiver which is licensed but the person is licensed to operate a private receiving station which embodies the receiver, that is, the piece of equipment.

By Mr. Langlois:

Q. I see here you have issued in 1949-50 2,177,445 licences. How does that—most of the members of this committee have not had time to read this report—compare with the figures of 1948-49?—A. Well, there has been an increase, Mr. Langlois. You are asking me if I think that we have collected licence fees from everybody from whom they should have been collected?

Q. Yes.—A. I would say, yes. Early in the year—

Mr. SMITH (*Calgary West*): That you have collected—

The WITNESS: That we have collected, sir. Early in the year we observed comments in the press and elsewhere that there were quite a few delinquents and it was alleged that one in so many say one in three or one in four people had not taken out licences. We were quite disturbed about that and we issued a directive to our field staff in the following terms: It is dated February 20, 1950.

Inspectors are probably aware of comments that have appeared in the press over the last few months with respect to radio licence fees and, in particular, it has been alleged that there are in the neighbourhood of 3,100,000 homes with radios in Canada, which would indicate that only two-thirds of the radio homes are licensed.

As the result of the aforementioned press notices which were based on a survey conducted by the Bureau of Statistics, headquarters has been called upon to explain the apparent discrepancy between the licences issued and the number of radio homes estimated. Inspectors are, therefore, instructed to conduct a survey through their territory at once, selecting representative streets in typical cities, towns, and villages.

In view of the aforementioned explanation, it is felt that Inspectors will realize the importance of carrying out this survey expeditiously and accurately, in order that as much information as possible will be available at headquarters.

I have summarized the results of this survey across Canada. Approximately 48,000 homes were visited and I am going to distribute, Mr. Chairman, for the information of the committee, a summary of those results.

Mr. GAUTHIER (*Portneuf*): Visited by your collectors?

By Mr. Langlois:

Q. You do not have to convince me you had very good results in that because as a result of that campaign 400 persons were fined in my own riding, and just a few weeks before the election, too.—A. I am afraid you have a wrong impression there, Mr. Langlois. I believe those prosecutions were carried out before this survey took place.

Q. I remember it was just before the election, anyway.

Mr. GAUTHIER (*Portneuf*): May I ask a few questions on this point too, Mr. Chairman?

Mr. LANGLOIS: I am not through yet. Of course, Mr. Gauthier, if your question relates to what is being discussed, please go ahead.

The CHAIRMAN: May I just point out to you, gentlemen, we do not need to go in for this "after you, Alphonse" business. One of you go ahead and ask questions.

By Mr. Langlois:

Q. Mr. Browne, I understand that in addition to your issuers you have the post offices and the banks collecting those licences on a fee basis?—A. And radio dealers.

Q. And radio dealers also. But, in addition to these issuers you have to have inspectors who are called frequently to go around and check on the work of those collectors. Is that right?—A. Not exactly. They check on the work of the collectors but only to secure evidence for prosecution purposes. Let me say this, that on the first of April these collectors who work on a commission basis go around from house to house and offer to issue licences on the spot to the people. In some cases the people say, "I have not got the money now, come back again", and issuers have therefore to make additional calls later, but they are required to clear up their territory quickly in the areas where we have such

an organization. There is also a notice card sent out on the first of April every year reminding the previous year's licensees that their licence has fallen due. We do allow two or three months to elapse before we start on our prosecution campaign but with our limited staff we have to get going during the good weather months. We usually start on the rural areas and then focus attention on the cities and the urban areas later in the year. The inspectors who carry out this campaign with a view to prosecuting delinquents are permanent employees of the department whereas those who go around on the canvas' starting the first of April are purely commission agents.

Q. And now you say that postcards are sent about the end of the fiscal year to those who owned radio sets the year before advising them that the licence is due. Are they allowed to make payments direct to you on receipt of this notification?—A. Oh, yes, many people do.

Q. They do?—A. Many people prefer to send their money to either the inspectors who are our district officers or even to Ottawa here.

Q. Does that notification or notice mention that the fee can be sent direct to your district office or your general office here in Ottawa?—A. I believe we may have a copy of the card itself here, Mr. Langlois.

Q. I do not think that that is generally known.—A. I am afraid I have not got a copy of the card right here at the moment but I can produce one later for you.

(Mr. Langlois, Vice-Chairman, assumed the chair.)

The VICE-CHAIRMAN: Now, have you ever considered or estimated what it would cost your department if, instead of using these issuers to whom you pay a commission, that your department use a regular staff on a salary basis? In other words, that permanent employees of your department would do this collection work for you instead of using those various issuers?

Mr. GAUTHIER (*Portneuf*): You mean instead of using the collectors?

The VICE-CHAIRMAN: I am asking if he has considered that?

The WITNESS: We have considered that from time to time, Mr. Chairman, but we feel the procedure we have been following is the best one under the circumstances. There are some 8,000 or 9,000 issuing agencies in all, including post offices.

By Mr. Stewart:

Q. How many individual collectors do you have, Mr. Browne, roughly?—A. I am afraid I could not give you a figure on that, sir, because there are supervisors appointed for each area and they in turn employ their own sub-agents to make the collections, and we have no idea how many they do employ.

Q. Would it be in the thousands?

The VICE-CHAIRMAN: The sub-agent gets twenty cents?

The WITNESS: The collector who goes around from house to house gets twenty cents and the supervisor gets the other five cents out of the twenty-five cents.

Mr. STEWART: The number who are going around from house to house would be in the thousands, I take it?

The WITNESS: About fifteen hundred.

Mr. MURRAY: Mr. Chairman, I notice in here—

The VICE-CHAIRMAN: I am not through yet, if you do not mind.

Mr. MURRAY: Well, go ahead.

By the Vice-Chairman:

Q. Mr. Browne, especially in the sparsely populated districts where banks are not too numerous and also where post offices allowed to sell those licences

are not too numerous, is it not a fact that in these districts the owners of private receiving sets have sometimes to travel long distances in order to buy their licence?—A. Well, yes, if they want to get delivery right over the counter I suppose they would have to travel, but they can always send in a postal note or a cheque.

Q. And is it not a fact also that since these post offices are receiving, I think, only five cents— —A. That is not true in the case of the rural post offices where, I think, you will find, in some small post offices, they receive fifteen cents.

Q. —is it not a fact that they are not too keen about selling these licences because it is not worth the trouble?—A. We feel it is worth the trouble because it only requires a few minutes of time to write out a licence in triplicate.

Q. I do not know if you have received such complaints but I have.—A. We have received a few from different areas but nothing of any considerable moment.

Q. But people have had to make two or three trips travelling very long distances just to be told by the postmaster that he was out of forms and to come on another occasion?—A. Well, when the postmaster makes his reports he has to say how many forms he has on hand and he is immediately sent another supply if his supply is low.

Q. And now, what is your experience in collecting these licence fees in districts which are what you might call dead spots for radio?—A. Well, of course, it is always difficult to collect licence fees in such areas; people object to paying the licence fee. They always ask the inspector or the collectors, "What are we getting out of this? We are getting poor service, we do not hear stations here, so why should we pay a licence fee?" Of course, we try to give the best answer, we can to that, our objective being to get as much revenue as we can.

Q. Is not the main objection based on the fact that these funds are earmarked for a special purpose, which is to bring revenues to the C.B.C., and these complaints are that, since the C.B.C. is not providing any services, they should not be called upon to pay?—A. Yes, of course; the people are becoming more conscious of that excuse as the years go by.

Q. You said awhile ago that you have studied from time to time the possibility of having a staff to collect these fees. Have you made an estimate of the cost of such a procedure?—A. Yes, I believe we did and we figured it would cost us somewhere in the order of half a million dollars which would be an increase of approximately \$200,000 over the present administration costs.

Q. Well, now you are paying \$637,000-odd?—A. I am speaking now of the administration costs apart from the commission. Having allowed for the commissions which would be eliminated under such a scheme, it would run somewhere close to a million dollars, between \$900,000 and a million dollars.

Q. But this cost will not appreciably increase as the number of licences increase. It would certainly not go up in proportion to the increase in the number of licences sold?—A. I take it now you are assuming that we would do away with the voluntary purchase of licences and that each fee would have to be collected by an individual, a permanent employee of the department, going from door to door.

Q. Yes.—A. That is what our estimate was.

Q. Would it not be then that you would have a better control over the sale of these licences; you would have permanent records; you would be dealing with the same employee all the time? Would all that not help you to have a better control over the sale of these licences?—A. Possibly it would, yes. We would get positive action in every area rather than perhaps depending on people taking out their licence voluntarily in the areas where there is no canvass.

Mr. STEWART: Would it do you a million dollars worth of good?

The WITNESS: I do not think it would. I think the present system that we are following is the most economical, taken all around. Perhaps I might

call attention now, Mr. Chairman, with your permission to the statement which has been distributed, from which you will observe—

Mr. FLEMING: This statement should go into the records right at this point, Mr. Chairman.

The VICE-CHAIRMAN: Yes, do you all agree with that suggestion?

Agreed.

RADIO SURVEY OF TOWNS, CITIES AND VILLAGES, 1950.

Province	Number of Homes with Radios (Radio Homes Visited)	Radio Homes Unlicensed	
		Number	Percentage
Newfoundland.....	415	110	26.50
Nova Scotia.....	1,845	205	11.11
New Brunswick.....	852	33	3.87
Prince Edward Island.....	221	24	10.86
Quebec.....	21,665	762	3.51
Ontario.....	13,419	1,453	10.82
Manitoba.....	2,557	119	4.65
Saskatchewan.....	3,426	117	3.41
Alberta.....	2,156	120	5.56
British Columbia.....	1,561	115	7.36
	48,117	3,058	6.35

The WITNESS: A sampling of 48,000 homes was taken across Canada and of these we found the percentage of unlicensed sets to be 6.35 per cent. That as a matter of fact, is very liberal because included in that percentage are indigent people who have no licences and yet have been put down as we have treated them on that basis. If I may quote some further figures here, deducting the percentage of the indigents, we arrived at an average figure for the dominion, of 4.72 per cent.

Mr. FLEMING: Do you mean exempt indigents?

The WITNESS: Yes, exempt. We do not require them to pay a licence fee if they satisfy a visiting inspector that they are in poor circumstances. We exempt them from the payment of this fee until such time as they are in a position to pay it.

Mr. STEWART: By indigents you mean those on city relief or unemployment relief?

The WITNESS: That is right.

Mr. FLEMING: Does it mean just that? It has nothing to do with the exemption provided for in section 4 of regulation 66?

The WITNESS: No, that column does not take account of that.

By the Vice-Chairman:

Q. Now, in answering a question by Mr. Stewart a while ago you said, and correct me if I am wrong, that it will cost you a million dollars more?—

A. Upwards of a million dollars.

Q. More?—A. Not more, altogether; instead of \$650,000.

Q. Instead of \$650,000, it will be an increase of some \$350,000.

By Mr. Stewart:

Q. Well, let us follow that through. Your total costs are \$305,725, that is excluding— —A. —commissions.

Q. Yes. Now, you tell me you have about 1,500 individuals collecting these licences on a commission basis. If you are going to pay them anything at all I cannot see how you can pay them less than \$1,000 a year each, which means your payroll would then be \$1,500,000.—A. You will not need 1,500 then.

The VICE-CHAIRMAN: You will not need 1,500?

Mr. STEWART: Mr. Browne can enlighten us on that but figuring on the present staff I think you would have \$1,500,000 of a payroll.

The VICE-CHAIRMAN: I think, Mr. Stewart, apparently you are not aware how these sub-agents work. They have, for example, one main collector in one district. As a matter of fact, I will give you the example of my own riding where they have two main collectors who in turn appoint sub-agents. They can multiply sub-agents at will, they can appoint as many as they need. I am pretty sure that my own district could be covered by one man.

Mr. RICHARD: Mr. Chairman, you have not taken this into account. Do you mean to say that 1,500 are all the people in the country including the sub-agents? I think the 1,500 are the main collectors, the official collectors.

Mr. STEWART: I think the witness can tell us better than anyone else.

The VICE-CHAIRMAN: Yes, we will have that from the witness.

The WITNESS: Yes, that figure does include the vendors. We call the sub-agents, vendors.

Mr. FLEMING: Are they all full-time men?

The WITNESS: No, sir. I was about to remark that preference is given to veterans in that organization, and they are not by any means full-time men because the canvass is carried out usually in about three or four months after which the prosecution campaign commences. Then our inspectors start going through, so it is up to the house-to-house canvass organization to complete its labours before the prosecution work commences.

By Mr. Stewart:

Q. Mr. Browne, if you had a full-time staff how many do you figure you would need to add to your payroll to insure adequate collections, and what do you think the minimum wage would be?—A. That would involve calling on every radio home in Canada?

Q. That is right.—A. Do I understand that correctly?

Q. That is right.—A. I am afraid I could not make an estimate of that figure right at the moment.

Mr. FLEMING: It would be some job.

The WITNESS: We did have this figure; we had examined such proposals a few years ago but I have not the figures on that handy at the moment.

By the Vice-Chairman:

Q. We have 262 electoral districts. Would one representative per district be enough?—A. No.

Q. It would be in my riding, and I have one of the largest ridings in Canada. I usually go around my riding once a year and I take only one and a half months to do that.

Mr. GAUTHIER (*Portneuf*): It cannot be a full-time proposition. You have to do it within three months so that the supervisors can come back afterwards and see how many people have not taken out their licences.

Mr. RICHARD: And who, incidentally, would pay their travelling expenses.

The VICE-CHAIRMAN: This would not prevent the people from sending their fees by mail to the main collector in the district. They could mail their licence fee.

Mr. GAUTHIER (*Portneuf*): Let us take my own riding. I have two vendors there and after the vendors are through with the canvass, the supervisor comes in.

Mr. RICHARD: I asked who would pay his travelling expenses.

By Mr. Gauthier (Portneuf):

Q. Wait a minute. And right after the supervisor calls is when the prosecution campaign starts. The supervisor comes in after the vendors have been through the district, and if the supervisor finds licences have not been paid then the prosecution takes place.—A. It is really a matter for the supervisor. He runs the system.

Q. Suppose he visited every home; in some cases he may receive the reply that the radio set owner will take out his licence at the post office, or at the bank, and if in the course of time he does not take out his licence the supervisor comes back and reminds him, "you have not got your licence". Now, is that supervisor allowed to sell licences when he goes through the district after the vendor has been through it? I want to know is he allowed to do so, or can he refuse to sell a licence, in other words?—A. Yes, there is no objection to that.

Q. Can he refuse to sell licences?—A. The supervisor?

Q. Yes.—A. No, he should not. He should not refuse.

Mr. LANGLOIS: I have received complaints to that effect.

Mr. GAUTHIER (*Portneuf*): That is what I am arriving at.

Mr. LANGLOIS: There are so many people involved that the owners do not know to whom they should go.

Mr. STEWART: Take my own riding, for example, where there are 20,000 homes. If a man is going to cover homes at all, if he covers 60 a day and spends at least ten minutes at each one that would take ten hours a day and then he could not possibly cover them all.

The VICE-CHAIRMAN: He cannot receive those fees by himself, but it is the same as this. Well, if it is known that this man is there—that is, you see they have three or four or five or maybe ten people. They do not all need to send it; there is an office there.

Mr. STEWART: If they are like myself they wait until the last minute.

The WITNESS: I think we can clear this up, Mr. Chairman. I think this question of refusal might be in the case of the inspectors themselves taking evidence for prosecutions from the people who are about to be prosecuted. When the permanent inspector calls to ask about the possession of licences, it is likely that he, the inspector will not prejudice his case by, on the spot, issuing a licence and then a month afterwards the individual concerned receives a summons.

By Mr. Murray:

Q. In your list here, in the breakdown, I see a miscellaneous item of 24,000 for British Columbia. Would there be any way of setting out the towns or the districts?—A. I can get the information for you.

Q. 23,392?—A. We have not got that before us but I can prepare it.

Mr. MURRAY: It would be fairer to those small radio stations if everybody paid for his licence. They are marketing their product and selling advertising

and so on and very often if the licences are not paid for, of course,—the list shows, say, 500 in a small district, but probably there are twice as many. It would be well to have them paid up for the purpose of showing their appreciation and then the station in turn would be able to give a better service to the community.

Mr. HANSELL: Mr. Chairman, I do not know whether we are through with page 2 or not.

The VICE-CHAIRMAN: I still have a further question, Mr. Hansell, if you do not mind.

By the Vice-Chairman:

Q. Mr. Browne, have you received complaints from owners of private receiving sets that your vendors in many cases do not care to travel a long distance just to collect one licence fee which will bring them a revenue of 25 cents?—A. We do receive occasional complaints of that nature.

(The Chairman resumed the chair.)

By Mr. Kent:

Q. Your official system of collection of licence fees has only come into being since the 1st of April of this year—A. That is correct. Perhaps I should explain the reason for the higher percentage here. We did not receive all the returns, moreover, from the provincial administration. Perhaps they thought we would not require them. We were starting afresh and I might say also that the licence year in Newfoundland before confederation commenced on January 1, and many people had taken out their licences during the first three months of the year so that we came into the picture on the 1st of April and it started from there.

Q. Following out what Mr. Langlois was saying with regard to your present system, in Newfoundland, as far as I can guess at present, the next year's result will show the present system is, or would appear to me to be, good, because we have many places where the highroad is the sea and people have to go by boat to buy a radio licence, under our system, to the postmaster or postmistress. It is entirely left to them. Is that not right?—A. Yes.

Mr. LANGLOIS: But not all the postmasters.

Mr. KENT: Yes.

Mr. LANGLOIS: Not all post offices?

Mr. KENT: In Newfoundland before confederation.

Mr. LANGLOIS: Not at home.

Mr. KENT: No, in Newfoundland before confederation. Now, under the present system if your vendor splits up his district and puts an agent in a certain section of coast, that agent, if he is energetic, can cover the area but one man could never do it in the three months allowed.

The CHAIRMAN: What was your licence fee in Newfoundland before confederation?

Mr. KENT: Exactly the same as now. I believe that is right. I am sure it is.

The WITNESS: I understand it was \$2.

Mr. KENT: I do not know; I have never bought one; I have sent the boy up from the office. Not that I have not paid for my licence.

Mr. SMITH (*Calgary West*): For practical purposes calling on every person would be the equivalent of taking a census on everybody in Canada.

The CHAIRMAN: I guess it is pretty nearly that. Not every person in Canada, but every householder.

Mr. SMITH: The work would be just about the same.

Mr. MURRAY: Mr. Chairman, has this question been asked—

The CHAIRMAN: I think Mr. Stewart had interposed at that time.

Mr. STEWART: My question was of a rather facetious nature. I wondered if it would be a fair assumption to come to the conclusion that the people of the prairies and the people of Quebec were not quite so laggard as the people of Ontario in buying licences.

Mr. FLEMING: Nova Scotia and Prince Edward Island seem to have a higher percentage than Ontario.

Mr. STEWART: I was thinking of you, Mr. Fleming.

The WITNESS: Perhaps it is because of the fact that fines are higher. I do not know about the costs.

Mr. FLEMING: We are very law-abiding people in Ontario, even if we do not like this nuisance tax.

Mr. MURRAY: The question is this: would it not be well to consider obtaining the licences locally?

The CHAIRMAN: You cannot put that question to Mr. Browne. It is a matter of policy. It would embarrass Mr. Browne.

Mr. MURRAY: Well, I am asking you, Mr. Chairman.

The CHAIRMAN: It does not embarrass me at all, because I am a completely free nigger and my opinion is worth nothing in the circumstances.

Mr. MURRAY: If the facts could be established—I am not suggesting that anybody desires to be dishonest about it—a great many of those licences are not bought. In some districts where there is a blind spot and reception is not good, they have a just reason for not paying; and to see that everybody paid—that is, people with rooming houses, with automobiles, boats, wherever there is radio reception—would take a tremendous amount of money to collect 100 per cent.

The CHAIRMAN: Well, it has always struck me that 12 per cent or 13 per cent for collection costs on a non-controversial collection is pretty high. I do not know whether it is held to today as a percentage but for people who collect controversial accounts or seemingly controversial accounts at first sight, at any rate—lawyers and collection agencies—it used to be 15 per cent. You see, that is controversial and it always seemed to me that 12 per cent to 13 per cent was a pretty high cost on this sort of collection although in this case I do not see how this organization could do it for anything else. I am not suggesting wastage at all.

Mr. MURRAY: Well, take local prosecutions, for instance. We have hundreds of prosecutions in police court.

The CHAIRMAN: Of course, these are a small percentage of the whole so, in the main, it is non-controversial.

Mr. MURRAY: It becomes a great sensation in some of the small towns when some of the leading citizens are up for not paying for their radio licences. Radio is now as much a public utility as electric light, and I think an assessment should be put on everybody in the nation to pay for the legislation, and this exaction of licence fees should be abandoned.

The CHAIRMAN: Mr. Benidickson, have you anything to say?

Mr. BENIDICKSON: I was just coming up to check on your progress.

The CHAIRMAN: Our progress is such that we will stop when you are ready.

Mr. BENIDICKSON: But there is not any obvious indication that the debate is going to close down before 1 o'clock and I was wondering whether or not the

committee would like to invite Mr. Howe to come here at 1 o'clock, if he is available. I had not asked him about the point.

The CHAIRMAN: I would doubt that, but we will see.

Mr. LANGLOIS: Mr. Chairman, we are sitting this afternoon. We can have the same arrangement for this afternoon as this morning, as soon as Mr. Howe is ready to come to us.

Mr. STEWART: I just point out that there may be a rather controversial meeting of the Committee on Public Accounts.

Mr. LANGLOIS: That will only last an hour.

Mr. STEWART: It has lasted several hours already.

Mr. FLEMING: It is quite possible that we will not be much longer with Transport, and I do not think the statement of Mr. Howe or Mr. Benidickson can be very lengthy. Could we conclude the examination of Mr. Browne and then hear Mr. Benidickson, and then Mr. Howe can come up here at 1 o'clock?

Mr. LANGLOIS: We can stop Mr. Browne now and proceed with Mr. Benidickson.

Mr. STEWART: There are a number who cannot be here, Mr. Chairman, on account of that very important meeting of the Committee on Public Accounts.

The CHAIRMAN: Is there very much more to ask Mr. Browne?

Mr. BENIDICKSON: May I go down and bring Mr. Howe up at 1 o'clock?

The CHAIRMAN: When the House rises. I think that would be about right and we will be ready by the time you get back.

Mr. Riley I think, is next in line.

By Mr. Riley:

Q. When do you usually start your prosecution program after the 31st of March?—A. Around the middle of June—I believe the 15th.

Q. It is a matter of departmental policy? You do not prosecute before that?—A. No, although we do not noise it abroad.

Mr. FLEMING: You had better get around then and get your licence.

The WITNESS: We require some time to get our tabulations of the licence fees set up from the reports that come in.

Mr. STEWART: I take it the axe is now about to be sharpened.

By Mr. Riley:

Q. Under your regulations you cannot buy a licence prior to the 31st of March for the ensuing year?—A. Prior to the 1st of April. That is correct.

Q. Do you not think that is ridiculous?—A. We did have representations to that effect, but we wanted to give everybody an equal opportunity, that is, the house to house canvassing organization and post offices and so on, to return their reports.

Q. If I have not purchased a radio licence at midnight on the 31st of March I have violated the law. I think that is about the most ridiculous situation I have ever heard of.—A. That is theoretically correct.

Q. It is true?—A. It is true.

Q. It is ridiculous, too. You will admit that.

The CHAIRMAN: Well, he does not make these regulations and I do not think you should require him to pass judgment on those who do.

Mr. RILEY: Just a minute, Mr. Chairman, please. I believe an opportunity should be given to the public to purchase their radio licences in advance,

which opportunity is given to car operators or anybody who has to obtain licences, because a person should not be placed in the position where he is forced to violate a law. That is exactly what is happening.

The CHAIRMAN: You really have a month in which to buy your licence. You are guilty as soon as the clock strikes, and the only reason that nothing can happen to you is that the policy of the department is not to do anything until a certain time has gone by. I suppose that is right, is it?

The WITNESS: That is correct. We do not start our prosecution campaign until, as I have said, around June 15.

Mr. SMITH (*Calgary West*): I will agree with Mr. Riley. It is ridiculous situation when you remember that it does not require any employee of the department to do it. Any person in the world can do it who wants to sign his name to it. Then, anybody may be in jeopardy and you may be at the mercy of some magistrate and you will get some bad advertising in the local newspaper.

The WITNESS: I believe that no proceedings can be taken under that section without the order of the minister.

Mr. SMITH (*Calgary West*): I did not know that.

The CHAIRMAN: It still leaves it that a mistake could be made.

Mr. SMITH (*Calgary West*): It amuses me when a magistrate is stated in the papers to have had hundreds of prosecutions for failing to purchase radio licences. Of course, he just signs them.

Mr. RILEY: And the officials are doing their duty by not prosecuting before that.

Mr. SMITH (*Calgary West*): It would not be much trouble to let us buy a radio licence as we do a motor car licence—those of us who are anxious to keep out of police court.

The CHAIRMAN: I think it might be well, Mr. Browne, if you would draw these comments to the attention of your minister and see whether anything can be worked out.

Mr. RILEY: Mr. Chairman, they have already been drawn to the attention of the minister. I believe that this committee should make a recommendation.

Mr. FLEMING: Say something about it in our report, Mr. Chairman.

Mr. LANGLOIS: When we draft a report, I will have some suggestions to make.

Mr. SMITH (*Calgary West*): I wonder if I could turn to another subject?

The CHAIRMAN: Well, Mr. Hansell was wanting to ask a question and he has not had a chance.

By Mr. Hansell:

Q. On page 2 dealing with the same subject we were on a moment or two ago, in paragraph 1, Mr. Browne, you say that "During the fiscal year 1949 and 1950 a total of 2,177,445 licences were issued resulting in a gross revenue of—" I will not give the exact figure, about \$5 million. Does that figure of \$4,989,000-odd include the amounts of commissions?—A. No, it does not.

Q. In that case should that not read—"resulting in a net revenue"?—A. Perhaps it is misleading. Yes, it should be "resulting in a total revenue." It is the total revenue, that is, the actual money received in the department from the issuing agencies.

Q. And the amount of \$4,989,000-odd and the amount of commissions, \$331,000-odd, constitute the total amount charged for licence fees throughout the country?—A. Yes, it is the total amount available to the C.B.C.

Q. So what we were talking about in the House the other night, to the effect that the commissions were paid twice, is not so?—A. It is not so.

Q. Now then, in paragraph 4, the cost in 1949 and 1950 for operations was \$305,000-odd. That amount is not paid to the C.B.C.?—A. No.

Q. My confusion came as I read the Act which is printed on the first page at the bottom: "Gross amount of money received in each year from licence fees in respect of private receiving licences and private station broadcasting licences without deduction therefrom for any costs of collection or administration." It seems to me the Act itself would be clearer if there was a period right after "licences". That is an observation. That is all I have to ask, Mr. Chairman.

The CHAIRMAN: I guess those words are the amendment we recently put in this Act?

Mr. HANSELL: Yes, I realize that.

By Mr. Smith (Calgary West):

Q. Along that line, while the commissions are not paid twice, the amounts of the commissions are paid twice. They are paid once to the issuer and then the same amount is again paid to the C.B.C.?—A. The amount is deducted by the issuer and in order that the C.B.C. should receive the full \$2.50, the department makes up the difference out of the appropriation from parliament.

Q. Then you pay the issuer of the licence \$10, we will say, and having paid that as a cost you then pay that \$10 to the C.B.C.?

Mr. HANSELL: They do not collect the full amount in the first place.

The CHAIRMAN: I think you are right that it is paid twice, but it is not done that way and if you talk about paying \$2.50 it would be about right.

The WITNESS: It is 15 cents to some agencies and 25 cents to others.

The CHAIRMAN: He just does not give it to Mr. Browne.

Mr. SMITH (*Calgary West*): But I am speaking of costs. This cost of X dollars, that same X dollars which we never had, the issuer probably kept it, but the department pays that amount to the C.B.C.

The CHAIRMAN: Take yourself as an illustration. You paid that 25 cents and the man kept it, and you, likewise, as a taxpayer paid a part of that 25 cents again through the agency of Mr. Browne to Mr. Dunton.

Mr. SMITH (*Calgary West*): I paid \$2.50, we will say. Mr. A takes 25 cents from it and then from the public revenue of this country we account for that 25 cents to the C.B.C.

The CHAIRMAN: That is correct.

Mr. HANSELL: Yes, Mr. Chairman, but that \$2.50 is not turned in to the department; they only receive \$2.25.

The CHAIRMAN: That is right and they add 25 cents to it and give it to Mr. Dunton.

Mr. FLEMING: And the taxpayer also absorbs the administration within the Department of Transport quite apart from the commission?

By Mr. Riley:

Q. Has the department given consideration to having the vendors of radio sets sell licences with the radios they sell?—A. That is right—radio dealers are appointed as issuers of licences at 15 cents commission.

Q. Do they, as a matter of course, turn in many licences?—A. The radio dealers are required to make a monthly return to the department of all radio sales.

By Mr. Langlois:

Q. Mr. Browne, has your department ever considered the possibility of extending the privilege, if I may call it a privilege, of selling those licences

to all post offices and to small banking institutions such as the Caisse Populaire in the province of Quebec?—A. I think we have taken the stand that any chartered bank will be authorized to sell radio licences.

The CHAIRMAN: The Caisse Populaire would not come within that definition.

Mr. LANGLOIS: I am speaking about different districts. There are no banks in some. You have a small Caisse Populaire and you have a small post office which is not entitled to receive those licence fees and people have to travel long distances in order to buy licences.

The CHAIRMAN: I thought all post offices received them?

Mr. LANGLOIS: Not all, Mr. Chairman—only those which they call “accounting post offices.”

By Mr. Murray:

Q. I think that privilege should be extended to credit unions and co-operative stores—responsible people who will issue licences. In our district I have failed to find a man who is willing to go out and collect for licences. I do not know if the department has found one.—A. We feel that if you add too many issuing agencies to those already in existence you may detract from the revenues which accrue to the house-to-house canvass organization and to the vendors.

By Mr. Langlois:

Q. But as you do it now, you are not giving much of a chance to your vendors. In the case of a larger centre where a vendor has less distance to travel, you give the privilege to the post office and banks, leaving for the vendor only those distant places where he has to travel long distances and he gets in return only 25 cents. I do not think you are giving him much of a break there.—A. I do not think we have added many of these fixed issuing agencies, that is, agencies where they issue on demand over the counter, since the house-to-house canvass organization was set up.

Q. But you still have chartered banks and accounting post offices?—A. I believe that practically all of those agencies were issuing before the house-to-house canvass organization started.

By Mr. Stewart:

Q. Attacking this problem from a much more materialistic standpoint, does this system work adequately, in your opinion?—A. We believe the system works very well.

By Mr. Langlois:

Q. Mr. Browne, what has been your turnover on your main agencies?—A. We were speaking a while ago of the high costs of issuing licences. I believe the chairman drew attention to what seemed to him to be the high cost of issuing licences, but I feel that when one considers that we are collecting here amounts of \$2.50 from over two million individuals, the cost is not so high.

The CHAIRMAN: I do not want my words to be interpreted contrary-wise to what you have said. I do think that so large a percentage on any uncontroversial collection is rather high, but in the nature of the case, with Canada stretching from Newfoundland to Queen Charlotte Islands, and each collection being very small, I think it is quite understandable that the cost should be high. Just the same, it is regrettable for anything uncontroversial, that this collection should run about one-eighth—12 per cent. That is a pretty large amount of money to spend. It would be an improvement if we could get some other method.

Mr. LANGLOIS: Mr. Chairman, I do not wish to be critical of the present system, but I would like to know from Mr. Browne what has been the turnover

of his main agents—those main issuers over the past years in those far-away districts.

Mr. RILEY: You mean the vendors?

By Mr. Langlois:

Q. The main agents—the main collectors. The sub-agency is called a vendor, I think.—A. You mean the supervisors?

Q. Yes?—A. Well, I must say that the turnover has been relatively heavy. That is due to the fact that the work is only a part-time occupation.

Q. They make no money—is it not a fact? It is not a paying job?

The CHAIRMAN: It is a paying job in the cities sometimes, but I should not think it could be in the country.

By Mr. Riley:

Q. Mr. Browne, it seems that 96 per cent of the people in New Brunswick are paying licence fees and only 89 per cent of the people of Ontario. Could not some method be found whereby that could be equalized?—A. Well, I can say that we are doing our best with the staff that we have at our disposal. I feel that if you are going to go out and try to collect the remainder, then the cost of collecting the remaining 9 per cent, or whatever it is, will not be in proportion to the cost of the first 90 per cent.

Q. It must remain as it is—there is no solution?—A. Well, the solution would be, of course, to take on additional staff. You might increase it in that way but one, I think, has to depend on the honesty of the individual to a large extent.

Q. I do not think it is only a matter of the honesty of the individual; I think it is a matter of everybody having good intentions, but just not getting around to a vendor. I think there is something lacking in the system.—A. Well, I think that one of the reasons for it may be, perhaps, the proximity to the border. Of course, there is no licence fee on the other side of the border and we do encounter a certain amount of hostility on the part of the public when they are asked to pay licence fees. To put it bluntly, collections are difficult in that area.

Q. Could not a card be sent out?—A. Of course, collections are difficult in that area.

Q. But could not a card be sent out to all householders indicating if those licence fees are not paid they would be subject to prosecution?

The CHAIRMAN: They do that in Winnipeg.

The WITNESS: I have now a specimen of the card which goes out on the first of April.

By Mr. Riley:

Q. How long has this practice been in force?—A. Well over at least twenty years.

Q. I never saw one.

Mr. LANGLOIS: There is no mention on this card, Mr. Browne, that payments can be made direct.

The WITNESS: It says:

Licences are obtainable at Post Offices in cities and larger towns, also from radio dealers and other authorized issuers. If licences are not available locally, obtain one from the nearest Radio Inspector or remit fee to the Radio Division, Department of Transport, Ottawa.

By Mr. Hansell:

Q. Mr. Chairman, could Mr. Browne answer this: what would be the result if you did away with all vendors, and all post offices in the country would issue, and they would be the only ones that issued licences. Would that be more efficient?—A. Looking at the overall picture, Mr. Hansell, I do not think it would especially in the first year because in a great many cases the people, especially in the rural areas, wait for the vendor to come around.

Mr. LANGLOIS: Did you say, Mr. Browne, awhile ago, in answer to one of my questions that you would have a better control if you sold them yourself? I understood you to say that.

The WITNESS: I think we would have better control if all were issued through a permanent staff but it would cost us a great deal more.

Mr. BOISVERT: Mr. Chairman—

The CHAIRMAN: I think Mr. Hansell was interrupted, Mr. Boisvert.

Mr. HANSELL: I may amplify my question a bit by saying that in the case of automobile licences, which I fancy would compare rather favourably with the number of radio licences, the authorities do not have vendors going around with automobile licences to sell; the people know that they can get them at a certain spot. Even in rural areas the people usually go to that community centre, the post office, some time or other within a week or two.

The WITNESS: Quite true, Mr. Hansell, but they do not drive their radio sets up the streets.

Mr. FLEMING: For the police to see.

The WITNESS: For the police to see.

By Mr. Hansell:

Q. I realize that but I do not see why that makes a great deal of difference. Post offices have records of licences that were issued in the previous years, they could easily send out notices. I do not see that that would interfere with any inspectors going around. I realize, though, there is always a reluctance on the part of people to buy any licences because it means an expenditure.—A. Well, as a matter of fact, initially the post offices were the only issuing agencies and then it was extended to other agencies through the course of time.

Q. Was it extended because it was felt that that would be a better way of collecting licences?—A. Yes, it was felt that not enough people took out their licences voluntarily.

Mr. LANGLOIS: Is it not a fact—

The CHAIRMAN: Excuse me, Mr. Langlois, but Mr. Boisvert, who has asked very few questions, wants to ask one now.

By Mr. Boisvert:

Q. Could Mr. Browne tell us who gets the fines paid on the prosecutions?—A. They accrue to the Receiver General.

Q. Could you tell us how much was paid in fines last year?

Mr. RILEY: It should go to the C.B.C.

Mr. LANGLOIS: No, Mr. Dunton will object to that.

The WITNESS: Last year, a total of \$27,064.30.

The CHAIRMAN: A mere bagatelle for the C.B.C.

Mr. RILEY: It could be used to raise some of the salaries.

The CHAIRMAN: I think it would probably take care of a part of the grievances aired by the witness who was here yesterday.

Mr. LANGLOIS: Mr. Browne, with respect to the figures given in this statement which you tabled a while ago, "radio survey of towns, cities and

villages, 1950", is it not true that on this table the percentage given is derived from information received from other sources than your department?

The WITNESS: No, sir, this information was collected by the permanent inspectors of the department, the same inspectors who conduct the prosecution campaigns. We feel that this information is authentic because these people who were visited knew that the persons who were asking for the information were departmental officers and would hesitate before giving wrong information.

Mr. STEWART: So that that story that only sixty-six per cent of the Canadian people pay their licence fees is absolutely inaccurate?

The WITNESS: Well, those figures seem to indicate that.

Mr. RILEY: That is more of a poll, or a cross-section, across the country.

The WITNESS: It covers almost 50,000 people.

The CHAIRMAN: It is a pretty large sample.

The WITNESS: Yes. We were disturbed by the reports which we had seen and we decided to go out ourselves and get the truth or as nearly as we could.

By Mr. Riley:

Q. Polls are not always accurate.—A. Mr. Gallup found that out.

Q. Do you think the C.B.C. might help out in the collection of these fees by the dramatization of a prosecution from Stage 50?—A. I believe that the C.B.C. has helped us out from time to time in broadcasting our notices and I think we have worked in a little propaganda, shall I say, in some of the programs, which has stimulated the collection of licence fees.

Mr. FLEMING: Propaganda! mmm! mmm!

The CHAIRMAN: We were going to dispense with the witness at about one o'clock to hear Mr. Benidickson and probably Mr. Howe. Mr. Howe has not yet been able to come. Mr. Benidickson indicates if Mr. Howe does not come in he will give us the information on Mr. Howe's problem as well as his own. If that is agreeable, we will now dispense with Mr. Browne, hear Mr. Benidickson, and also hear Mr. Howe if he comes, and at the conclusion of that we will adjourn for the purpose of preparing our report. Does that meet with general approval?

Agreed.

Mr. W. Benidickson, M.P., called:

The CHAIRMAN: Mr. Benidickson has a case to present. I think I gave you some slight indication of it so far as I knew it, but we will just listen now to what he has to say and ask such questions as we see fit.

I am getting a signal too from the other end of the table which I take it indicates that we might want to ask the C.B.C. officials questions as a result of what Mr. Benidickson says. I think that is probably correct. Is it agreed that we will sit here until we finish?

Agreed.

Now, Mr. Benidickson, you know that you can just behave naturally with no undue respect to your colleagues—on the other hand do not be unduly disrespectful.

The WITNESS: I will endeavour to comply there. I do appreciate the opportunity of being able to say something about a long standing radio problem in the constituency of Kenora-Rainy River, and particularly the provincial judicial district of Rainy River itself. Mr. Howe, who is presently piloting a bill through the House, finds it impossible to come personally to tell you about a similar

condition in the constituency of Port Arthur. I think I should first give you some idea of the location and the size of these constituencies. Together, they comprise more than one-third of the land area of Ontario and they lie in the centre of Canada—each constituency going from the American boundary to the top, of the map. They stretch from the Manitoba boundary to a line 700 miles to the east.

We feel that in all the years of Canadian publicly operated radio we have too long been without service. I just want to indicate to the committee and to remind the committee that when the C.B.C. was set up it was intended that areas of this kind would not be neglected. I would just like to put on the record the words of Mr. Bennett who was the Prime Minister when C.B.C. was set up. He said, at page 3035 of *Hansard*: "No other scheme than that of public ownership can ensure the people of this country without regard to class or place equal enjoyment of the benefits and pleasures of radio broadcasting. Private ownership must necessarily discriminate between densely and sparsely populated areas."

In 1936 Mr. Arthur Beaubien, chairman of the parliamentary radio committee said this, at page 3717 of *Hansard*: "The committee also found many parts of Canada lack of coverage and people who were paying licence fees and were getting no reception had a right to complain. The committee in making its recommendation that the radio corporation should be allowed to borrow \$½ million from the treasury took care to see that coverage be supplied to outlying districts."

The CHAIRMAN: Have you extra copies of that statement?

The WITNESS: I gave to each member of the committee some weeks ago a copy of a statement that I made recently to the Royal Commission on National Development in the Arts, Letters and Sciences. I think I have a few extra copies. It describes our Rainy River problem, although I do not propose to quote further from it.

Mr. STEWART: It was duly read, marked, and digested.

The WITNESS: Following that I just want to remind the committee this question in a general way has received attention from former parliamentary committees. I want to read a few words from the 1942 report which refers to "the principle laid down by previous parliamentary committees that the corporation should extend its services so as to give complete national coverage." This committee went on to say: "Your committee further recommends that every effort be made to obviate duplication of broadcasts in the same areas and provide listeners with alternate programs until further coverage is given."

In the 1944 report these words appear: "The general radio services of the country should be uniform."

In 1946, when there was a recommendation that money be provided for capital expenditure by way of loans and that the limit of \$500,000 be removed from the Act, these words appear: "Your committee was pleased to note that the corporation is looking further ahead in considering needs for improved facilities. It agrees in general with the need for increasing power in different C.B.C. stations to bring improved service to more outlying areas. It also approves of establishing FM in important centres."

The purpose of bringing that to your attention is that in Manitoba a new high powered station was built a couple of years ago which we were led to hope might considerably improve the Canadian radio services in our area of the country.

By The Chairman:

Q. By "our area" you do not include the district represented by Mr. Howe?
—A. No, just Rainy River.

Q. It was never believed that it would go farther east than that?—A. No. I propose to deal specifically with Port Arthur in a moment.

The CBW situation in relation to the R.R. district is outlined in the brief I submitted to the Commission, copies of which were supplied to members of the committee. We have in Rainy River one private station, at Fort Frances, and it is the desire of the people of that district that C.B.C. national programs be provided over it. They think that is the best way of serving the majority of people in that area with C.B.C. service.

Q. How big is Fort Frances?—A. The town itself has a population now of approximately 6,000. The Rainy River district as a whole has a population of roughly 25,000 and that district has currently been providing radio licence fees to the extent of about \$9,000 a year—as you can imagine collected under very great protest inasmuch as national radio services are not satisfactory.

What I am asking the committee to do is to do more than the committee has done in the previous years when it made general observations about coverage and I hope that some of the still neglected areas at least are noted specifically. We feel that we should be provided with one of several remedies.

First of all we have always been believers in nationally operated radio service. We would prefer to have C.B.C. network supplied in that area by one means or another. However, if that is not possible we feel that it is wrong to have an earmarked tax collected from people who admittedly get no service. I may say that view is shared by a former prominent member of the C.B.C. board of directors, Mr. B. K. Sandwell who, in a letter to me dated the 18th of February 1947 had this to say: "An equitable method of dealing with this situation would be (so long as the license fee cannot be raised or the service be made adequate) to exempt from the fee all radio sets in territories where a tolerable radio service is not provided."

I would say, thirdly, that the committee might be able to provide us with a remedy by recommending that special specific votes through the House of Commons estimates be provided to ensure radio coverage in territories which in the opinion of the committee are not so remote or so small in population that they are undeserving.

Q. In respect to that point, I take it that you mean that there should be a special vote saying that such and such a place ought to get C.B.C. service, and recognizing the fact that it will cost such an such a sum of money. You have reference to a vote specifically for that purpose. Would you care to go a step further, Mr. Benidickson? You are here in a dual capacity, representing the Right Honourable Mr. Howe as well as yourself. Mr. Howe belongs to that relatively small class of people who vote money or recommend the voting of it. Are we to understand that Mr. Howe, a minister of the Crown, is asking that money be voted in the manner which you have described?—A. Mr. Chairman, I understand that parliamentary moneys have always been given to the C.B.C. on a broad basis either through transfer of collections from a special earmarked tax, or through loans for capital purposes. Up to now the government attitude has been that the C.B.C. should not be interfered with in the disbursement of those funds. But I say, after this long time, that some people have lost confidence in having isolation problems met by the C.B.C. who, we feel, to our disadvantage have been giving the appropriations to other things such as high powered transmitters, which were not located in places, it would seem, primarily for the purpose of serving remote areas.

By Mr. Stewart:

Q. Do you believe that the lack of coverage is due to a lack of desire on the part of the C.B.C. to give you service?—A. I believe that other things have appeared more important to them in cutting the cloth, if the cloth was all too small to start with.

Q. It is a matter of judgment.—A. It is a matter of judgment on their part, and we no longer feel that their judgment is in our favour. Therefore, we urge that special parliamentary grants should be given.

Q. You recognize that the C.B.C. funds are extremely limited and that they are facing a deficit from now on?—A. That is their present position; but I would like to say that from an examination of their accounts over the last three or four years I find that their revenues have, in the last year, 1948-49 been greater by more than \$2 million than they were in the year 1945-46. And I find that their expenditures on networks, which would indicate expenditures for expanding a service of the type that we need in the Rainy River area, have only increased to the extent of \$100,000.

Q. Do you realize that this year the C.B.C. may have a deficit of almost \$900,000?—A. Yes, and I think that probably accelerates the need of a parliamentary grant.

Q. What I am trying to get at is this: It is a matter of judgment on the part of the C.B.C., and they have a right to their judgment even though some of us may not agree with them. But is it not due to the lack of funds which is the responsibility of parliament, that they have not been able to give us the service we may all desire?—A. In the period of three or four years there have been substantial increases in the amount of their total revenues.

Q. Yes.—A. And they have appropriated those increased revenues otherwise than to remove our problem according to their good judgment, just as they are entitled.

By the Chairman:

Q. Speaking to you as a representative of a minister of the Crown, the comment I wish to make is, thinking of you as Mr. Howe, that you have a good deal more to say about the granting of money than does this committee. And I think it is too bad that Mr. Howe is not here himself, because I do want him to understand that if he is coming here and saying that this committee should recommend a special grant, since he is here recommending that grant, there never was any need for him to come. He is asking us to recommend to him. You see what I mean.—A. I indicated that I would make specific comments for Mr. Howe in a few moments. I am still speaking in a personal way.

Q. I asked you a minute or two ago if you represented Mr. Howe in regard to that recommendation. You are Mr. Benidickson first and you have not come to Mr. Howe yet?—A. That is right.

Q. So your recommendation as Mr. Benidickson, or by Mr. Benidickson would not seem to call for the reply that I was willing to make. But if you should make some recommendations in the person of Mr. Howe, that is what is going to be said to you.—A. I think it is obvious to the committee, with respect to the C.B.C., that when a minister of the Crown and a government member over a period of many years are unable to get any satisfaction from this Crown company for their problems, that it is a pretty independently operated organization.

Q. We have been saying that this organization is independent and I think the public generally feels that it ought to be independent. I think you are giving the very best evidence of the accuracy of any such statement.—A. I also wanted to say in reply to Mr. Stewart that that additional annual revenue that in a period of a few years amounts to \$2 million has been spent largely upon increased expenditures for programs, upon engineering and matters of that kind which we conclude are largely for the people who have been getting service for many years. The increase in the amount of costs for networks is small in comparison with the increase in expenditures for other things. So we conclude the same listeners get the benefits.

By Mr. Fleming:

Q. You should have placed your position in this matter quite forcefully before the C.B.C. before the decision was taken to embark upon a second national network.—A. No. We have never desired to take the position that we wanted to hold back anybody else from getting better service.

Q. No. I mean on the question of priority. Was your presentation on this point placed before the C.B.C. before the decision was taken to set up a second national network.—A. When was that decision?

Q. The Dominion network actually was in existence in 1944, and then it was enlarged considerably in 1946.—A. The availability in the Rainy River district of private radio stations to use C.B.C. programs dates from 1944.

The CHAIRMAN: To get Mr. Fleming's point clear, your representation for the kind of service that you are now asking for would ante-date the decision for the second network?

By Mr. Fleming:

Q. Probably we had better say "district representation" because Mr. Benidickson was in the armed forces in 1944.—A. That is true, and I would say that since my arrival in parliament I have found this to be the most pernicious problem in this district. I do not think I have been at all backward in advancing these complaints.

The CHAIRMAN: I think that Mr. Dunton could, in the discussion, tell us when representations were first received, and could relate them to the time of decision with reference to the second network. It is my own recollection from what I have been told that the C.B.C. indeed had this matter up before them quite some time back.

The WITNESS: I have a summary of some of it and could recite it. It is not inclusive but it is a summary of the representations that have been made both by myself and by various community organizations in the district since approximately 1945.

Mr. FLEMING: It started about 1945?

The WITNESS: Yes.

Mr. FLEMING: Were you going to enlarge on that Mr. Benidickson, the one matter you touched on briefly earlier; that is, about getting network programs for these local private stations?

The CHAIRMAN: Just one second before we do that; Mr. Hansell's small voice has been clamouring for recognition.

Mr. HANSELL: My question was quite similar. I was going to ask if Mr. Benidickson had anything which might indicate the cost of these services, whether he knew anything about the cost of these lines?

The WITNESS: We are informed that the C.B.C. is in the hands of the two railway companies through their communications systems with whom they have an exclusive contract for the dissemination of their programs by land lines. When that contract was originally entered into the land line organization was a monopoly as I call it; the two companies entered into this contract jointly rather than competitively, they agreed to place programs at certain points in Canada; and, under the agreement, if they add certain points they are entitled to charge so much per mile per hour, I think it is, for the use of that line; and the C.B.C. have told me that they would be charged by the publicly-owned C.N.R. \$14,000 a year to provide the full C.B.C. program to that private station.

The CHAIRMAN: Mr. Benidickson, would it not be better to say that they would be charged that amount by the twin organizations with which they have the contract rather than directly by the C.N.R.?

The WITNESS: I haven't seen the contract. I would like to see the contract and I think it would be of interest to the committee to see the contract because I think this contract is holding back the service to many areas such as ours. Actually, two or three years ago, I was given to understand by the minister and by the C.B.C. that it was altogether likely that these contracts would be renegotiated and as a result it might be possible to provide service in our area without a substantial increase in the cost to the C.B.C. However, instead of doing that they simply renewed the existing contract without making additions to it so we are still in the same position.

Then as a third possible alternative I was going to say that if we cannot have our first choice of network programs—which is C.B.C.—our people on the Rainy River are close to the American border and they claim they could get good programs from the U.S.A., and that if it would be less expensive to link up the Fort Frances station with an American network they feel that if the C.B.C. is not going to be able to give them service they should not deny to that station the right to link up with some American network. Fourthly we then go on into the area of possibly slowing down services to other people already getting alternative services. I only want to make the point that I think parliament should take notice with regard to such things as service to these unserved areas, and I want to point out that these territories, Mr. Howe's territory and mine, are on the trans-continental railways in the very centre of Canada and to that extent could scarcely be called remote. Some places probably have small populations, but geographically speaking they certainly are not remote.

Now, with respect to Mr. Howe's particular problem may I say this: Mr. Howe has made representations to those concerned that it is inconsistent that these people in outlying locations are not adequately served, but to date the argument used by the Canadian Broadcasting Corporation for not providing such services is based upon the premise that they do not have sufficient funds. The Broadcasting Corporation and/or the Department of Transport have sent investigators throughout the area to study the problem of reception and the only satisfactory solution to the difficulty, which is largely due to the nature of the terrain, is to install repeater stations at various points.

The constituency of Port Arthur is transversed by two trans-continental railroad lines,—the C.P.R. running along the immediate shoreline of Lake Superior, and the C.N.R. running through the northern interior. A branch line of the C.N.R. runs from Long Lac southwards to Port Arthur. The service line used by the C.B.C. is that which follows the C.N.R. with repeater stations based at Hornepayne, Nakina and Nipigon. The rail distance between Hornepayne and Nakina is 132 miles. Of course the C.B.C. also services the Lakehead (Port Arthur and Fort William). Repeater stations based on this line are of very low power and again, due to the nature of the countryside, have less than the normal range. Still remaining to be served along the C.N.R. line are such communities as Long Lac, Geraldton, Beardmore and Macdiarmid. A reasonably strong repeater station at Geraldton (approximately 3,000 population) would probably service the four points in question on this line. On the trans-continental line near the western boundary of the constituency of Port Arthur is the community of Armstrong, which is also without service.

Returning to the C.P.R. line, working from east to west, we have the communities of White River, Marathon, Terrace Bay and Schreiber. These four communities are all fairly substantial,—Marathon, Terrace Bay and Schreiber each having upwards of 1,500 to 2,000 people. The rail line distance between White River and Schreiber is 118 miles. The distance between Schreiber and Port Arthur is 129 miles. It is conceivable that if suitable arrangements could

be made with the C.P.R. to carry the C.B.C. programs over their wire service along this line, a repeater station of reasonable capacity based at Marathon could cover these communities.

That concludes my statement on behalf of Mr. Howe and his particular problem. I want to say that in my own area in addition to Fort Frances we have another fast growing community at Atikokan, where the Steep Rock Mine is situated. This is a distance of about 140 miles from Port Arthur and about 90 miles from Fort Frances. It is doubtful whether or not the programs from Fort Frances or Port Arthur are properly heard in that location and I have received a considerable number of complaints from the point.

I think that concludes my comment.

Mr. LANGLOIS: It is not my wish to give evidence, Mr. Chairman, but I should say something to explain the point I want to direct my question to.

The CHAIRMAN: If you are going to give evidence you had better not let it be hearsay, you know what happens to people who do that.

Mr. LANGLOIS: Before asking my question I wish to say that I am very much in sympathy with what Mr. Benidickson has said. I think essentially the same problem applies to my district where we have a population of over 60,000 not getting a suitable reception service from the C.B.C., and I have made representations in the past on many occasions about that matter. I think Mr. Benidickson's purpose in coming before the committee was not so much to be critical of the way the C.B.C. have made use of their appropriations from parliament in order to give better facilities or better service to the people of Canada but rather that his main argument was that since parliament earmarks a tax for a certain purpose that the same parliament should earmark some appropriations to be made in order to provide radio service in Canada. Is that not the basis of your argument?

The WITNESS: In substantial part. We are, I may say, critical of some of the expenditures that have been made because we think that they are not in line with the opinion of parliamentary committees and recommendations they have made in a general way. We think it is time a parliamentary committee examined in detail those areas of neglect and decide whether or not they are deserving of an improvement in service having in mind the building of national radio as, for instance, described by Mr. Bennett.

Mr. STEWART: Assuming that this committee, which is possible, will be completely in sympathy with the claim of all people who want better radio service—it is apparent that the C.B.C. is a creature of parliament. In the last instance, then, parliament has the power to decide whether or not money bills will be introduced and if this committee says, "we think it should be done," and the government, nevertheless, says it should not be done, our representations will not be of any great value, but perhaps it might help to bring a little more opinion to bear. But the responsibility, I think, rests finally on the government.

Mr. LANGLOIS: In answering the questions, Mr. Benidickson, you are trying to convince us to stop them making obstruction to such recommendations as you make.

The WITNESS: I would not think they had made obstructions. I do feel, however, that we should depart from the policy of leaving it entirely to C.B.C. to decide in these matters, and probably general grants to them are not likely to take care of these territories.

By Mr. Fleming:

Q. Mr. Benidickson, we have already heard from Mr. Duntón, I think, twice, on the subject of a desire in the C.B.C. to have larger supplements from government sources to their present revenue and one of the purposes for which they require additional revenue is to meet the needs of various areas that are now neglected.—A. They have said that for fifteen years.

Q. I just want to say that I think it is quite clear from what you have said that you are not satisfied that even if the additional amounts were voted, that that would help your territory.—A. I am here with one hope; that this committee, if it is making recommendations along those lines, would be a little more specific and less general than it has been in the past, by saying that it favours a financial grant in the hope and expectation that the areas of coverage of C.B.C. services will be extended to specially noted neglected areas.

Q. Now, suppose we state that. Suppose we take that particular item out of a number in the C.B.C. program. As a matter of fact, it is well up. I am not sure if it is not first. Now, if we undertook to say—and it may be a little difficult to say with the Massey Commission sitting this year—but if we, say, recommend a grant of whatever the amount may be—I have forgotten now—but let us say \$200,000 a year, I gather that you feel the committee would have to go further than that and specify the areas that would have to be given consideration?—A. I think that the committees in the past have not examined adequately the detail of the points of neglect in the first place and I feel that if that was proved they might then make some very direct recommendations to the C.B.C. as to places that they think should no longer be neglected.

The CHAIRMAN: May I just interject there, with reference to the recommendations of the committee? There has been some discussion here already about covering a field in the report which has been handled in the Massey Commission report. I just mention that to you that there may be a disposition on the part of the committee not to make recommendations.

Mr. FLEMING: It is a problem we have this year in the committee that is a little abnormal.

Mr. LANGLOIS: It is true that we happen to know that similar recommendations were made to the Massey Commission, but very likely our report will touch points which have been already mentioned in the Massey report. I do not think that we should restrict our report on account of that.

The CHAIRMAN: I only mean that this is a matter that will be considered when we come to our report, as to the extent to which, if at all, we should encroach upon something which we expect will be dealt with in that report.

The WITNESS: I might say that the chairman of the Commission on Arts, Letters and Sciences told me that he doubted if he could make anything as direct in his recommendations as would give us any help in a matter of this kind.

The CHAIRMAN: We might turn now from Mr. Benidickson, keeping him here in case we want to return to him, and ask if there is any comment by the C.B.C. on this matter.

Mr. LANGLOIS: I would ask our friend Mr. Riley if he thought this witness got a fair trial?

The CHAIRMAN: Well, I would say that the situation is a lot different here because if this witness says he has not had a fair trial here, then, doggone, we just recommend against him. He has got to say he has had a fair trial.

By Mr. Gauthier (Sudbury):

Q. Does your Fort Frances station cover all the Rainy River district?—A. No, but it would cover under present power, the majority of it, I would say.

The CHAIRMAN: You have got the geographical picture of it? It is down toward the bottom of the Lake of the Woods. You know there is a section there, a quite big section—quite a farming country.

The WITNESS: The population is 25,000.

The CHAIRMAN: As you go along on the train and look out the window you see a difference from the country above Lake Superior—you see a great many homes. The countryside is dotted all along with pretty good farms.

By Mr. Fleming:

Q. In that area do you get any broadcasts from American stations?—A. That is spotty, but that is about their chief source of radio entertainment.

Q. But the American stations would not penetrate to the north?—A. They do, yes. That, of course, may be due to freaks of radio, but I know there are a number of those and I think probably the whole of northern Ontario—no that is too broad a statement—I would say in many parts of northern Ontario they receive only American broadcasts.

The CHAIRMAN: Have you any comment on this, Mr. Dunton?

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

The WITNESS: Yes, I would be glad to comment, Mr. Chairman. In the first place, I think Mr. Benidickson has made the picture a little blacker than we would have done. There is some service from the C.B.C. in the Rainy River district. We will not dispute how good it is. We will certainly not claim it is anything like good coverage.

According to engineering standards Fort Frances is within the .1 millivolt contour for CBW, which means that it is within CBW's daytime primary service contour. We have had men go and check that station and take an ordinary battery receiver into Fort Frances and hear CBW quite satisfactorily. According to figures of BBM which is an organization that surveys all of Canada every year to ask people what stations they listen to regularly—86 per cent of the people in the whole Rainy River district listen regularly, at least once a week, in the day time to CBW and 76 per cent in the night time. Fort Frances itself is 65 per cent in the day time and 59 per cent at night.

Also at our Winnipeg office we get a certain amount of mail from Fort Frances and the Rainy River district. But the Board of the C.B.C. would not hold that this is good and completely satisfactory radio service. Some people in the area do not find it good enough. The signal is not a high one. We would like to cover all areas in Canada with a higher signal and, therefore, we would like very much indeed to have network service going right into the Rainy River district.

I think the committee are probably getting tired of hearing about the general position of the corporation for the last few years, facing very short funds and, at the same time, facing demands from all over the country, from all sections of the country, for general improvements in service which would generally mean increased costs.

We are criticized for not having high enough salaries. We have had to put much of the increased revenues we have had into increased salaries simply to meet the increased cost of living. The board has not found it possible to make various commitments for annual wire line charges to a number of areas in the country, all of which we would like to serve very well and which we agree it is our duty to serve. But I would like to emphasize there are a great many other areas besides that which Mr. Benidickson has been speaking of, and some of these areas, I would suggest, are in greater need than the Rainy River district because they are not even within a 0.1 millivolt contour of any station.

Mr. LANGLOIS: Does that include Gaspé?

The WITNESS: Yes, it also includes parts of British Columbia, northern British Columbia, the interior of British Columbia; a little in a portion of Alberta; it includes several areas in Ontario; some outlying areas in Quebec, northern Quebec and southeastern Quebec; it includes some areas in the mari-

times; in Newfoundland. We would like to provide satisfactory service in all these areas but we have not got the money; but in the measure that we get the money we shall endeavour to extend the service to these areas. At the present time the board has before it several applications from private stations for network connections. Over the years the board has been constantly getting applications from private stations to be linked to one of our networks. It is remarkable how important and good C.B.C. service is when people do not get it. During the last several years, because of our financial position we have had to say to most private stations "We are sorry we simply cannot afford it." On the other hand, we have indicated to them that if they pay the wire line cost themselves, or share in it, we would provide service. That offer was made to the Fort Frances station but it found it could not afford it. As soon as we extend service to other private stations we should put most of these stations on the same basis as other private stations which joined networks earlier.

By the Chairman:

Q. Just a second. Some private stations have asked you for your network service and you found you have been unable to give it them?—A. To give it because of the cost to us.

Q. But you have said to those stations: if you will pay for the wire line cost of getting it or partly pay for the wire line cost of getting it we will do so.—A. Yes.

Q. Will you mention some of those stations?—A. CFJM Brockville, Ontario, CJFX Antigonish, Nova Scotia, CFOR Orillia, Ontario, CKPG Prince George, British Columbia, CJFP Riviere du Loup, P.Q., CHOK Sarnia, Ontario, CHSO Sudbury, Ontario.

Q. That is enough so far as my own question is concerned, I just asked you to mention some of them. I just wanted to get an idea.

Mr. RILEY: Is CHMR, Newcastle, one of them?

The WITNESS: No.

I tried to emphasize to the committee the number of demands which are before the corporation from areas which are not represented here as effectively as Mr. Benidickson's area. We have requests from a great number of areas which are outlined in the memorandum given to the committee. They represent a considerable number of areas and a certain amount of population. We would like to serve all of them but I would suggest that if the committee considers any detailed recommendation on this subject they would find it is a very complex subject. I would say, however, with reference to the Rainy River problem that that is a long standing one and the board is sympathetic to it and if we had the funds we would take it up.

The CHAIRMAN: We could make a recommendation particularly for this, in order to get greater acceptance of that creaking wheel maxim.

By Mr. Langlois:

Q. Mr. Dunton, you have no objection to parliament voting money to be earmarked for that purpose?—A. I would not think so, but I would suggest there would be complications; parliament would be taking a hand in the administration of the corporation.

Q. Do you think you will not be consulted as to the way the earmarked funds will be spent?—A. I do not know.

Q. It can be reasonably expected you would.—A. As we have said before we are not particular as to where the money comes from as long as it does not come with any particular ties to it. It always came to the corporation by law before and that seems a satisfactory way. The corporation has so much money to operate on and it is up to the administration to do the best they can with those funds. I suggest there might be complications if parliament took a hand.

By Mr. Fleming:

Q. Mr. Dunton, has the corporation established a list of priorities in this field?—A. I have indicated in our report to some degree the priority but we have not any definite list, partly because they keep on multiplying. We cannot yet see the possibility of covering every single Canadian with the kind of service that Mr. Benidickson wants.

Q. Where would Mr. Benidickson's area rank in terms of priority in relation to the other areas which are now being neglected?—A. The board has indicated it would rank high, since a private station exists there, and we would only have to cover the cost for bringing the network service, not for any transmitters.

Q. I think \$200,000 was the figure that you quoted as being required for that extension of service?—A. That was the first figure only.

Q. Would Mr. Bendickson's area be included in that?—A. It was in our minds when we made up the estimates.

Q. How far down would you have to go into the \$200,000 to come to Mr. Benidickson's area?—A. I think it would be one of the very first, as soon as we know our financial position.

Q. You have not seized my question: within the \$200,000, assuming parliament may not vote the whole thing, how far would you have to go to assure Mr. Benidickson's area of the service they should be getting?—A. I do not think I could tie the board down specifically but if we had \$200,000 we could then allocate the wire line extensions and Mr. Benidickson's area would be included in that.

Q. Could you do it if you had \$100,000?—A. I could not give a definite answer to that.

Mr. LANGLOIS: Where does my district rank, the district of Gaspé?

By the Chairman:

Q. Where does Mr. Howe's case stand on this list?—A. In these cases it would be necessary to establish new repeater stations, new relay transmitters.

Q. While holding to the form of question Mr. Fleming used, mentioning a sum of money, how much money would be necessary for that?—A. I do not think it could be in the first \$100,000. After we have taken care of Mr. Benidickson's area and two or three other private stations in New Brunswick and so on the main part would be gone, and the main points in the Thunder Bay area would cost over \$50,000 a year.

I cannot quite agree with Mr. Benidickson about covering a number of these points by one relay transmitter. That would be quite impossible. You cannot count on repeaters going out very far.

Q. Mr. Benidickson in this statement was translating what Mr. Howe would have said if he had been here. That is representation by instruction and hearsay and not his own.—A. Then my remarks refer to Mr. Howe. According to our engineers at most of these places you would have to have a relay transmitter installed. I think that Terrace Bay and Schrieber might be covered by one station.

Mr. LANGLOIS: Could I have a reply?

The CHAIRMAN: You have never given Gaspé any line?

The WITNESS: No, it is another Quebec area which is not getting the service. We cannot give it priority because we still do not know how to do it under any reasonable sort of cost.

By Mr. Langlois:

Q. Do I understand from Mr. Dunton that your priority list is made not according to needs but according to the expense involved?—A. We have to consider costs, unfortunately.

Q. That is the way it looks to me.—A. Unfortunately, Mr. Langlois, we have only so much money and all through the life of the corporation we have had to give very careful consideration to cost.

Q. Well I think it is about time the government stepped in and earmarked some money?

Dr. FRIGON: When you speak about the Gaspé situation do you mean the town of Gaspé?

Mr. LANGLOIS: No, the whole district, including Madeleine, and the whole electoral district. We get no C.B.C. coverage.

Dr. FRIGON: South of the St. Lawrence river in the Gaspé, in the north end of the Gaspé peninsula, reasonable coverage would be extremely costly.

Mr. LANGLOIS: You agree that we are getting none?

The WITNESS: I would not say none.

Mr. LANGLOIS: I have never seen a radio that could pick up a signal from the C.B.C.

Mr. GAUTHIER (*Portneuf*): What are they getting?

Mr. LANGLOIS: Nothing.

Mr. RILEY: Perhaps we could arrange to have the foreign language broadcast from C.B.A. extended.

The CHAIRMAN: Yes, bring back those foreign language broadcasts from Sackville and that would fix things up for you.

By Mr. Fleming:

Q. Mr. Dunton, I gather from a recent answer that you rate Mr. Benidickson's area much higher in your priorities than Mr. Howe's area?—A. I have indicated it was simply because there was a private station there—the station is there and all we have to do is pay the wire line cost of bringing service to that station. We do not have the cost of installing and maintaining transmitters of our own.

Q. But you do not answer the question. I gather you consider the circumstances in Mr. Benidickson's area as taking up a much higher priority than Port Arthur?—A. I think some of the communities in what is referred to as Mr. Howe's area have less service than Mr. Benidickson's, and on that ground they should be served first but we have to consider the money. In Fort Frances we can make quite a lot of people happy with an expenditure of \$14,000 or \$15,000 a year—much more effectively than we can in the Thunder Bay area and that is why we are inclined to do Fort Frances first.

The CHAIRMAN: Well, gentlemen, here is the situation and I ask whether you agree. We have ended the business of the committee so far as the inquiry is concerned. We are now in a position to get ready to write our report and it is generally arranged that a draft be prepared by the steering committee and then the main committee is called together to consider and revise it. Is that the proper course?

Agreed.

Then we shall adjourn to the call of the chair, but do not rise too quickly. The steering committee will be called together shortly by the chair but, before you go, I am getting two signals, both of them very clear. One is from the end of the table.

The WITNESS: You asked us to file a memorandum on how to save \$1 million a year. That has been prepared but forgotten about in the last few days.

The CHAIRMAN: Will you have it distributed?

The WITNESS: Yes.

The CHAIRMAN: We will have a copy of it put in the record of our proceedings at this point.

CANADIAN BROADCASTING CORPORATION

CUTS TO SAVE \$1,000,000.00 IN A YEAR

Reductions in expenditures of this magnitude can be attained only by cutting sharply the service of the system and its use of Canadian talent. Three simultaneous approaches will be necessary: dropping of a number of the larger Canadian-produced programs and cutting the quality of others; dropping whole CBC departments with the accompanying dismissal of staff; reducing wireline costs through eliminating network coverage where possible in some areas.

Careful study of the programs and departments to be dropped would be necessary in actually making a cut. The following, although subject to modification, indicates the extent and type of reductions that will be necessary.

Trans-Canada and Dominion Networks:

Wednesday Night programming	\$120,000	
Stage 50	50,000	
Startime	40,000	
Opportunity Knocks	20,000	
Gilbert & Sullivan—musical comedy series	25,000	
General reduction in various programs: musical, including items such as Prairie Schooner, Don Messer's Orchestra and popular song programs; children's programs; religious programs; dramatic series	55,000	
25 per cent reduction in live program originations at regional points—Vancouver, Edmonton, Winnipeg, Halifax, St. John's, Nfld.	70,000	
		\$380,000.00

French Network:

Nos Futures Etoiles	20,000	
Les Petites Symphonies	15,000	
Radio-College	20,000	
Soirees de chez nous	25,000	
Childrens programs	15,000	
General cut in other live programs including ex Quebec City ..	20,000	
		\$115,000.00

Elimination of Departments:

News	\$225,000	
Farm broadcasting	65,000	
School broadcasting	20,000	
Public Affairs (leaving skeleton)	40,000	
Actuality broadcasting—including sports events, special outside events of all kinds	45,000	
		\$395,000.00

Transmission Lines:

Relay transmitters in B.C.	30,000	
Relay transmitters in Ontario	6,000	
Eliminating network service to some private stations:		
3 in British Columbia	6,500	
2 in Saskatchewan	2,500	
5 in Ontario	13,800	
5 in Quebec	28,000	
2 in Nova Scotia	12,000	
1 in New Brunswick	7,400	
		\$106,200.00
		Total \$996,200.00

OTTAWA, June 13, 1950.

The WITNESS: We also have a report on the activities of radio station CKSB during the flood emergency?

The CHAIRMAN: That will be dealt with in the same way.

REPORT ON ACTIVITIES OF RADIO STATION CKSB DURING FLOOD
EMERGENCY—MAY 1950

Of the five Radio Stations of metropolitan Winnipeg, CKSB is without doubt the one that was hit the hardest by the flood. CKSB has as its audience the French speaking population of Manitoba; 33% of this population was affected by the flood. The decidedly French names of the rich agricultural centres that were completely inundated indicate clearly that it is in the midst of the population served by CKSB, that the muddy waters of the Red River did their greatest damage. Here is a list of these centres, and in parentheses, the number of French speaking families: Letellier (104), St. Jean Baptiste (251), Morris (57), Aubigny (93), Ste. Agathe (110), St. Adolphe (94), LaSalle (75), St. Norbert (255), St. Vital (548), St. Boniface (2,016). When one-third of the listening audience of a radio station is affected by disaster such as the Manitoba flood of May 1950, the trial is greater than if the station itself had been directly damaged. This is what happened and this is what we wish to make clear in this report.

Station CKSB had just completed its fourth season on the air at the end of April 1950 and was preparing to set up its summer programs. For several weeks it had been foreseen that the threatened part of the province and more particularly the Red River Valley was going to be visited by the second flood in three years. We made preparations to give a complete report of this situation beginning Easter Monday the 10th of April.

On April 10 the Public Relations Service of CKSB selected two correspondents, one at Letellier and the other several miles to the north at St. Jean Baptiste, to report, at our expense, on the damage caused by the rising waters in these two localities. These reporters had kept us informed of the critical situation in 1948; they agreed to serve in like capacity in 1950.

On the 18th of April the manager of the Station, Mr. Couture, went to St. Jean Baptiste to study the situation on the spot and to offer to our listeners from the municipality of Montcalm the help of Station CKSB. The day after, on the 19th of April, we selected reporters at Ste. Agathe and St. Adolphe in order that our information service might benefit from a daily first-hand report on the situation on the whole length of the Red River Valley. On the 23rd of April we were invited by the Public Relations Officer of the Royal Canadian Air Force to fly over this region, south as far as Emerson. At that time the flood was mostly surface water caused by the melting of the snow, and the districts of Rosenfeld, Gretna and Altona were the most affected. However the Red River had already over-flowed its banks at Emerson and had flooded a considerable part of this little town on the international border.

Thursday of this same week, that is the 27th of April, the Assistant Manager, Mr. Dussault, and the Chief Engineer, Mr. Thomson, were invited by Captain Ferguson of the Public Relations office of the Army to join a group of representatives of the radio and the press in making a trip to Emerson on board a Dukw, in order to learn at first-hand the damage caused up to that time by the flooding of the Red River. It was at that moment that we were sure there existed a real danger not only for the Red River Valley but also for the urban population of greater Winnipeg.

Later, some members of our personnel flew over the same district on the 28th of April, and again on the 1st and 3rd of May. After each of these visits, detailed reports were made to our listeners, and beginning the 1st of May we established at CKSB a daily program in the course of which we transmitted to our listeners not only a report on the flood but also official and personal messages in order to warn those who had not sufficiently understood the danger which threatened them.

However, it is on the 4th of May that our journal of the period of crisis really begins. In the course of the afternoon, the municipal authorities asked us to continue our broadcasts beyond our regular hours in order to keep our listeners on the alert, because at that moment the level of the river had reached 24.5 feet above datum, that is 6½ feet above flood stage. From this moment on we were on the air twenty-four hours a day. We had to arrange for a larger personnel, since already by that time the calls to the Station were being made in greater and greater number, and in addition to the messages to be broadcast, our listeners phoned CKSB for information of all kinds. During the night of Friday to Saturday, that is from the 5th to the 6th of May, Station CKSB was the first to warn the population of the northern part of St. Boniface to evacuate because the dike which was holding back the River at this spot was beginning to weaken. We directed these people to safe places, and, thanks to the help of a group of listeners who stayed close to their radios, it was possible for us in a very short time to find lodgings for all these families.

On Saturday, the 6th of May, the Army took control of the emergency operations in St. Boniface and it is from that moment that we began to work in close co-operation with the military. On the same day the city of St. Boniface became practically isolated, because the approaches to Provencher bridge from the Winnipeg side were under water and the two bridges over the Seine River had become impassable. On the 7th of May, the Flood Control Headquarters asked us to undertake the evacuation of that part of the population of St. Boniface which lived in the low lying regions, and on Monday and Tuesday, the 8th and 9th of May, we broadcast similar evacuation orders to the population of St. Adolphe, St. Jean Baptiste, Aubigny and Ste. Agathe. By the 13th of May the situation had become more and more critical. The Norwood bridge was closed and St. Boniface found itself completely cut off from the city of Winnipeg and from the other suburban areas. The only contact left between Winnipeg and St. Boniface was the Canadian National Railway which had organized a train service between the two cities. CKSB still served as communication centre, but it was extremely difficult for us to receive the directives from the Flood Control Headquarters because of the deplorable condition of telephone communications.

During the entire week from the 7th to the 13th of May, CKSB was a real beehive of activity, and the entire French speaking population affected by this crisis came to seek advice and begged us to broadcast messages to parents and friends who had been lost in the turmoil. People were anxious about the fate of those who had remained behind; as soon as the Red Cross representatives had installed a group of evacuees in a locality, there arrived another avalanche of messages to transmit in order to inform parents and friends of their new address.

CKSB was asked to broadcast requests for volunteers for the various danger spots in the city of St. Boniface. If the dikes were successful in holding back the river and prevent the flooding of the city, it is due in large measure to the services rendered by CKSB. In response to our appeal, material and labour came not only from every part of the city but also from other sections of the province. We could cite many cases which would prove the efficiency of the first French language Station in the west during the course of this catastrophe. Permit us to give but two examples. On Tuesday the 9th of May the Flood Control Centre asked us to transmit an appeal for operators of bulldozers. In less than a half-hour and after a single broadcast, we had received more than twenty offers of services by specialists in this type of work; it should be remarked that at this time only those who were in St. Boniface could reply to our appeal for we were already cut off from the rest of the province. During the night of the 11th of May an officer of the evacuation centre of the Red Cross asked us if we could help in locating a Mr. Simon Couture who lived at 423, Jeanne

d'Arc street, but who had been evacuated since Sunday. Attempts had been made to establish contact with this gentleman since three o'clock in the afternoon without effect. At five minutes past midnight, CKSB transmitted the message and by 12 minutes past midnight the gentleman in question was sitting in our office; he told us that he had been found on the dikes where he had been working from the moment of our first appeal for volunteers. CKSB had succeeded in less than twelve minutes in accomplishing what the Red Cross had not been able to do in more than 9 hours. We do not wish, however, that this example should minimize the work of the Red Cross which has been magnificent during this critical period, we wish rather to show the efficiency of Station CKSB during this crisis.

We began this special service on the 4th of May and we will continue it until everyone of our listeners will have returned to his home, which means until about the 15th of June. However, after consultation with the Flood Control Centre, we stopped our night broadcasts after the 23rd of May.

All our regular personnel manifested a remarkable spirit of co-operation during this crisis. Not a single employee complained of the extra hours of work we asked of them, and several, in addition to the time spent at CKSB, found it possible to aid in the construction of the dikes and to register for guard duty. Among the regular members of the staff, several have been badly hit by the flood, but rather than let themselves become down-hearted, they continued their regular work. Everyone without exception has been affected, whether by the flooding of their homes or by the evacuation of their families. In addition to our regular staff we have had to engage the services of about thirty young men and women who were employed either as reception stenographers, as announcers or as technicians. Several former employees returned to offer their services, so that it was possible to give service over a 24-hour period.

The electric power failed but a single time; on the morning of the 9th of May between 6.55 and 7.40. We had, however, taken our precautions. On the 10th of May our Chief Engineer installed at the transmitter an auxiliary generator with a Diesel motor which permitted us to continue our broadcast from the transmitter which was not in the least threatened by the flood. On the 11th of May, we set housing facilities at the transmitter for several members of the staff. Moreover, we set up there several turn-tables and a section of our record library.

The entire affair, however, has resulted in much inconvenience; the loss of contracts for announcements, the interruption of our regular schedule, additional salaries to be paid, and extra expenses occasioned by the installation of special telephone lines and emergency equipment. This critical situation cost the station, either through loss of advertising or by extra expenses, about \$3,000, but this loss is negligible in comparison to the satisfaction we experienced in rendering service to our listeners and in helping to spare them greater loss and more anxiety.

To close this report here are some statistics: CKSB was on the air 448 consecutive hours. The Station broadcast 497 official communications everyone of which was repeated at least three times, 4,618 personal messages, and 104 telegrams. Among the French speaking listeners 17,965 were affected by the flood: 9,135 were inundated and 8,830 were evacuated, approximately 33 per cent of our French radio listeners. We replied to more than 5,000 telephone calls, of which 1,437 were long distance. More than 2,500 persons came to the information desk for help.

Finally we annex the list of the staff, both regular and special.

Dora Davignon
Annette Painchaud
Jeannette Berard

Raoul Normandeau
Anna Marion
Fabiola Desrosiers

Adolphe Guyot
Yolande Gendron
Aline Desrosiers

Denyse Guyot	Eva Barnabe	Guillemette Audette
Dorothee Toupin	Jacqueline Gagnon	Denise Guillot
Marguerite Dornez	Marie-Josophe Mager	Therese Fortin
Monique Guyot	Simone Tremblay	Laurence Arpin
Lorraine Delorme	Cecile Toupin	Germaine Gregoire
Aliette Lavoie	Georgette Bilodeau	Cecile Fredette
Madeleine Painchaud	Rosemarie Bissonnette	Therese Turcotte
Rita Peloquin	Flore Toupin	Jeanine Lavoie
Doriana DeRuyck	Constance Gendron	Therese Gauthier
Gilberte Chatelain	Jeanne Desautels	Madeleine Chatelain
Gaston Tessier	Georges Forest	Leo Remillard
Maxime Desaulniers	Gilles Lane	Maurice Miron
Leo Brodeur	Claude Cloutier	Emile Savoie
Maurice Arpin	Rene Dussault	Etienne Bohemier
Roland Delaquis	Louis Souchon	Gerard Dumas
Ronald Pambrun	Yves Savignac	Ovila Drouin
Louis Bodin	D. R. Thomson	Maurice Laramée
		Roland Couture

Permit us to close this report with a citation taken from an article which appeared in "La Liberte et la Patriote", for the 12th of May, written by one of our listeners: "Even if CKSB had been founded only for the work which it accomplished during this critical period, its establishment would already be justified".

The CHAIRMAN: Mr. Benidickson has something further to say.

Mr. W. Benidickson, M.P., recalled:

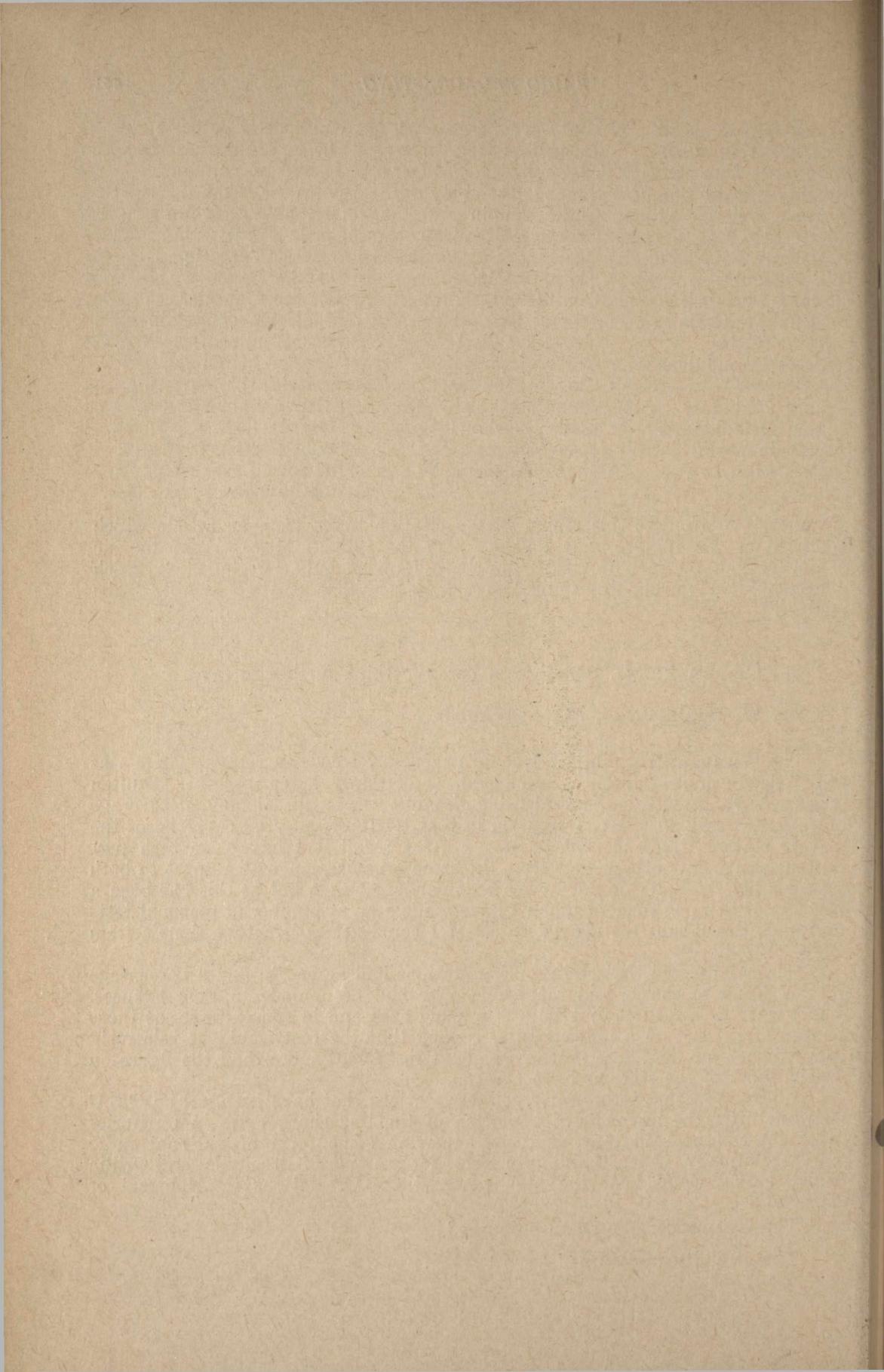
The WITNESS: I wonder if I could say a few words in reply. There was some answer made to what I have said. I certainly agree with Mr. Dunton when he says we have had considerable disagreement on the amount of coverage both with respect to CBW, Winnipeg, in that territory, and the coverage of the private station CKFI in that territory. As I recall it I have seen high percentage statements of coverage from the same organization with respect to both stations. I personally do not live in that particular area but as this has been a problem of extreme concern to me I have made a great number of personal tests on radios throughout the district to see if I could get satisfactory signals from CBW (Winnipeg).

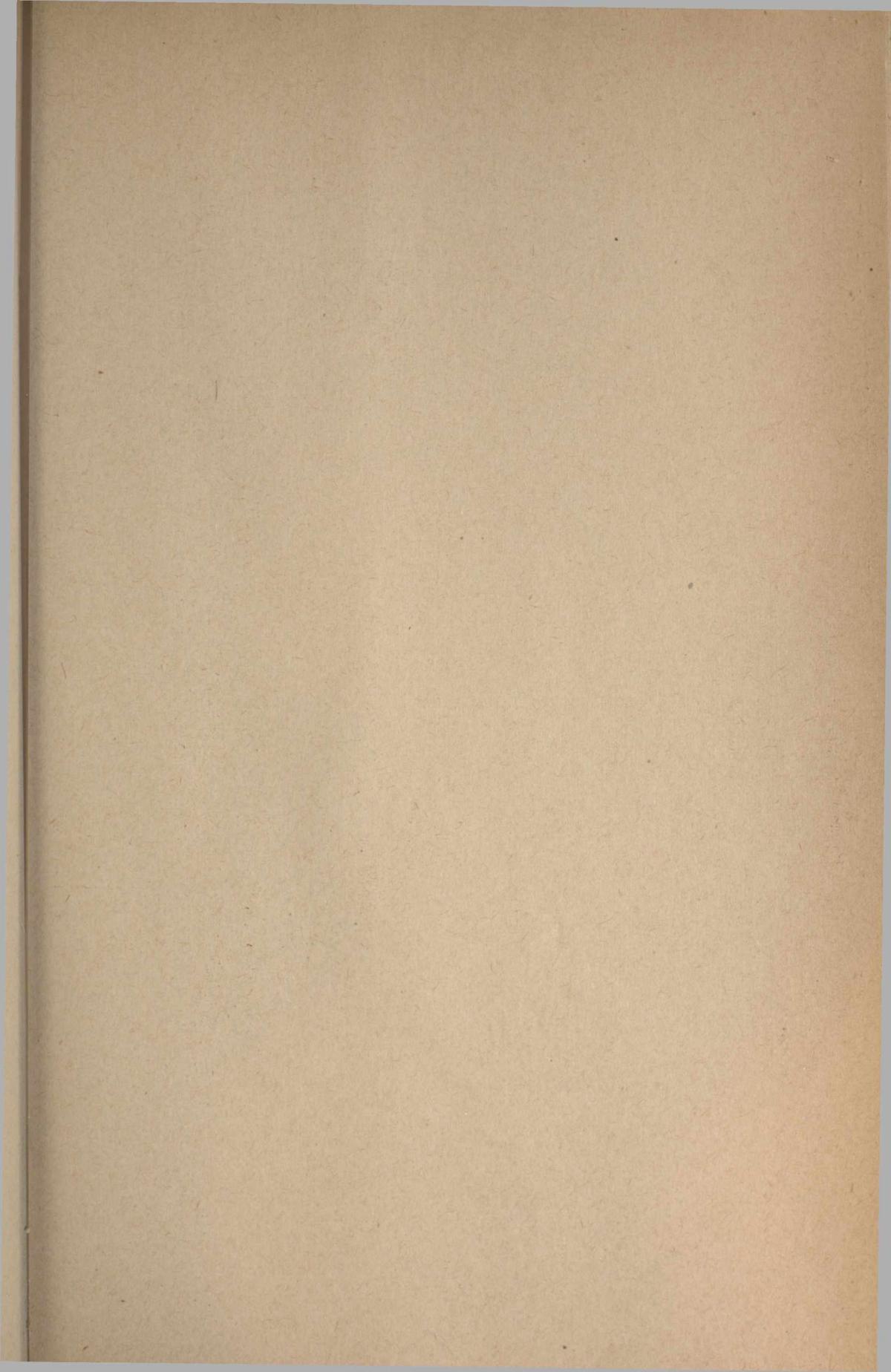
It was indicated that certain other stations had agreed to pay a percentage of the line wire charge and that same offer had been made to Fort Frances. I just want to point out that we are in a big area and in consequence, as those charges are based on a mileage rate, I think that the cost would be relatively much higher for CKFI, as it would amount to \$7,000—more than the figure on which many of the stations have agreed.

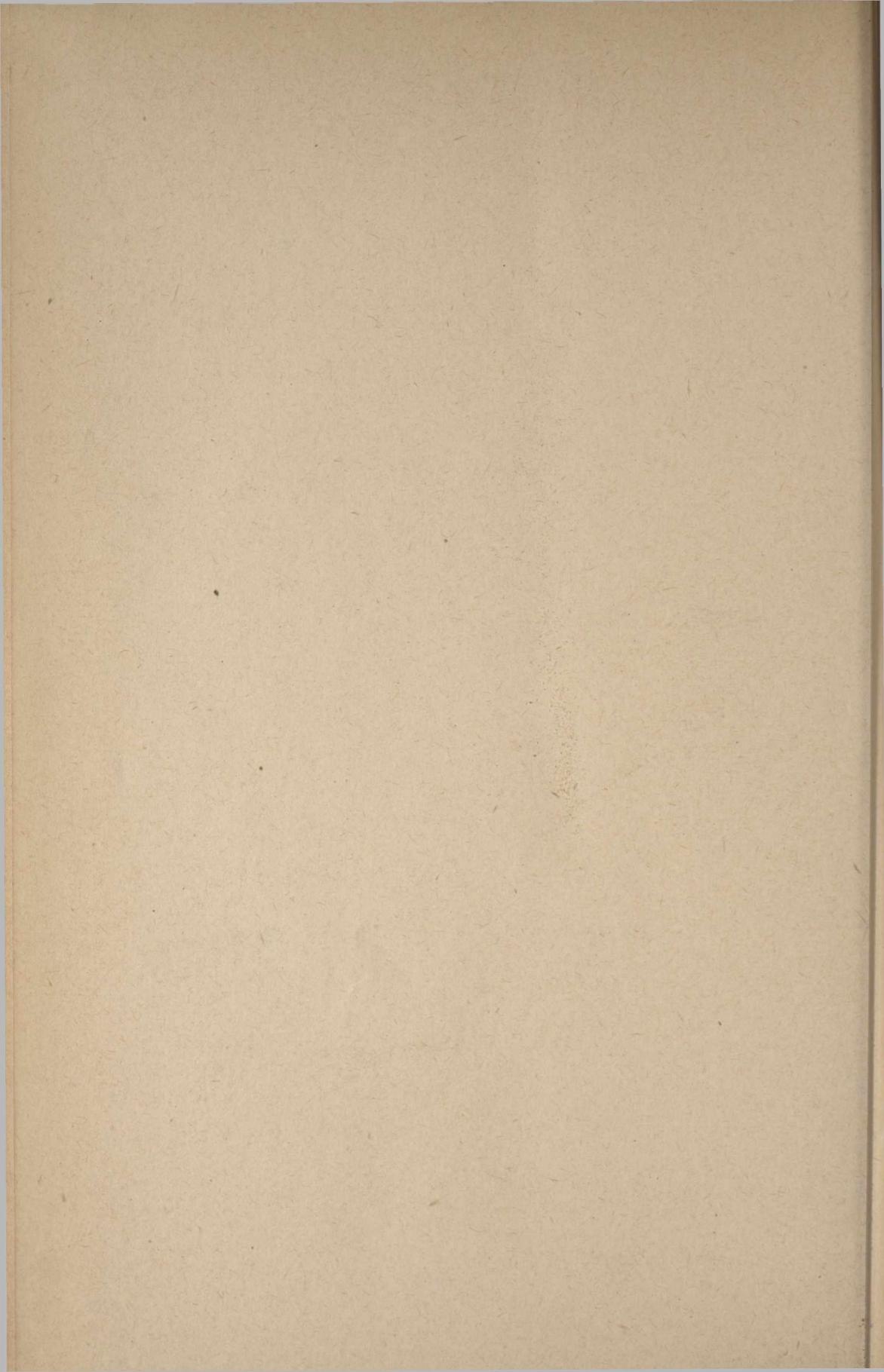
I also question whether some of those stations that have been put on C.B.C network after the payment of a portion of the line charges are in territories where it can be said they were not receiving some form of national radio coverage already. I am thinking in terms for example of Brockville and Orillia which surely could hear the high powered C.B.C. stations in Montreal or Toronto.

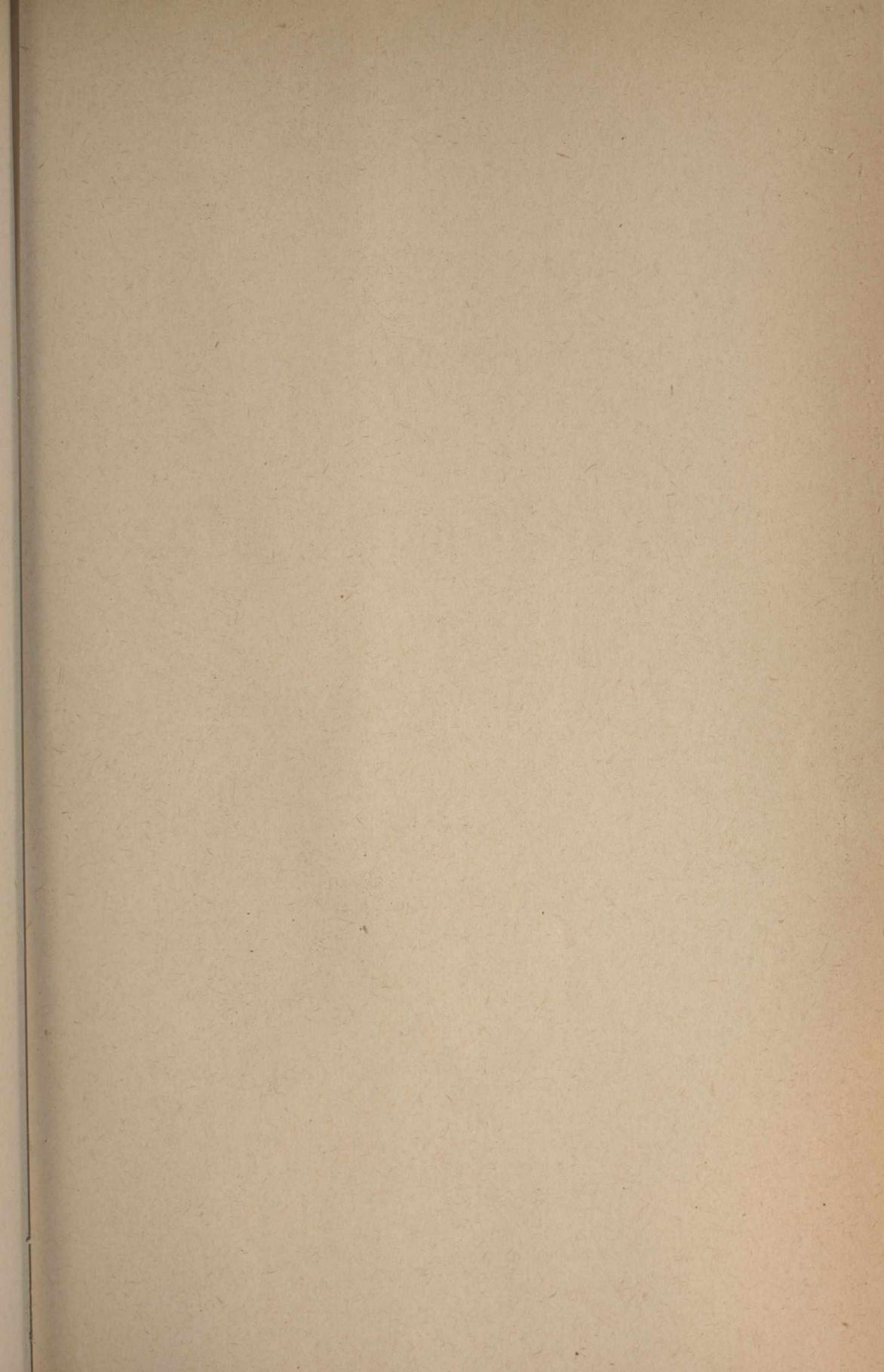
The CHAIRMAN: We stand adjourned.

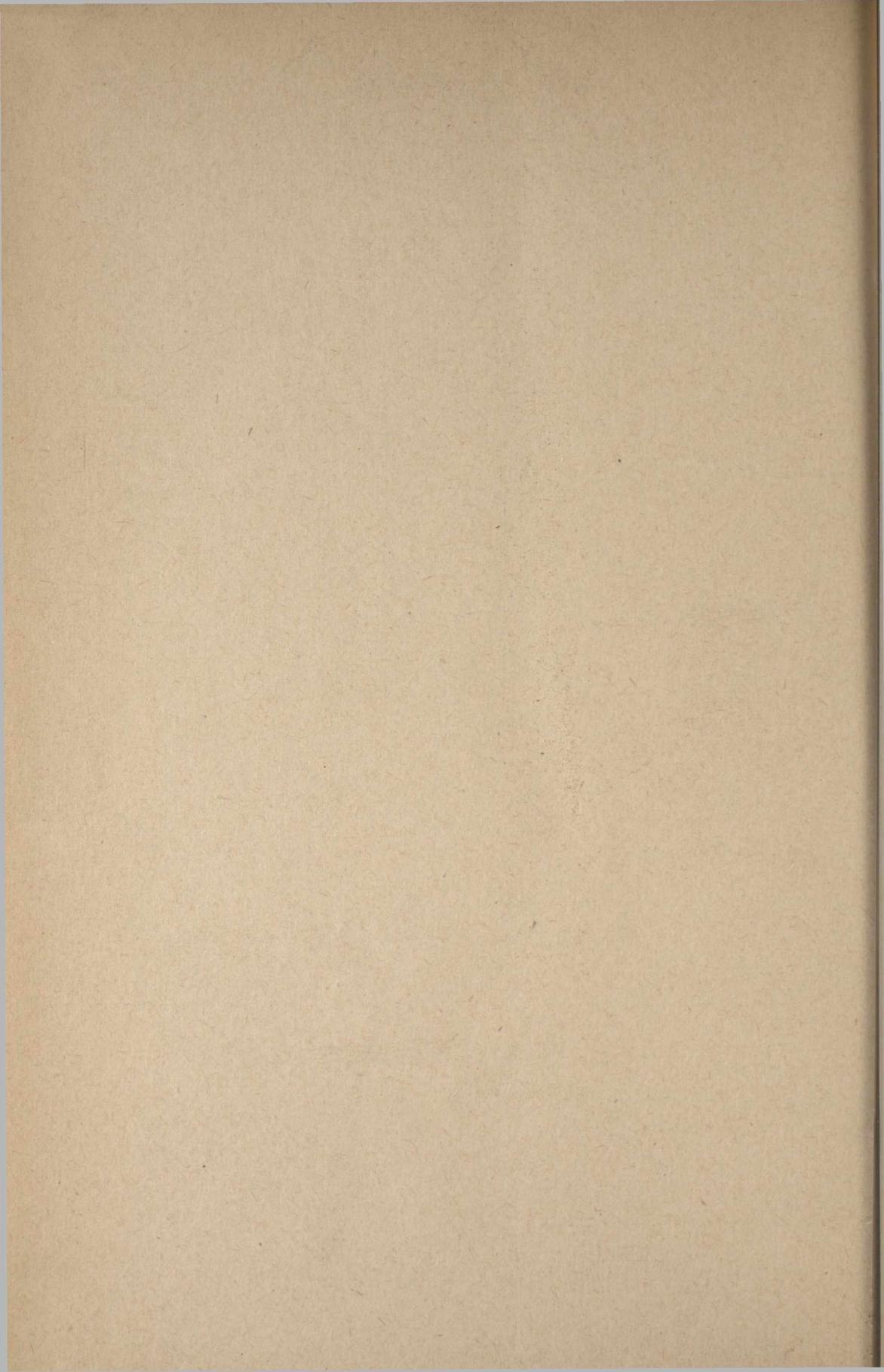
The committee adjourned.











SESSION 1950
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS

No. 10

THURSDAY, JUNE 22, 1950

THIRD AND FINAL REPORT

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1950

SPECIAL COMMITTEE
on
RADIO BROADCASTING

Chairman: Ralph Maybank, Esq.

Vice-Chairman: J. G. L. Langlois (*Gaspe*), Esq.

Messrs.

Balcer	Gauthier (<i>Sudbury</i>)	Robinson
Boisvert	Hansell	Riley
Cote (<i>St. John-Iberville-Napierville</i>)	Henry	Smith (<i>Moose Mountain</i>)
Decore	Kent	Smith (<i>Calgary West</i>)
Diefenbaker	Kirk (<i>Antigonish-Guysborough</i>)	Stewart (<i>Winnipeg North</i>)
Fleming	Knight	Whitman
Fulton	Murray (<i>Cariboo</i>)	Winters
Gauthier (<i>Portneuf</i>)	Richard (<i>Ottawa East</i>)	

Clerk: ANTONIO PLOUFFE

MINUTES OF PROCEEDINGS

THURSDAY, June 22, 1950.

The Special Committee on Radio Broadcasting held an executive meeting, in camera, at 8.30 p.m. Mr. Maybank, the chairman, presided.

Present: Messrs. Cote (*St. John-Iberville-Napierville*), Decore, Fleming, Fulton, Gauthier (*Portneuf*), Henry, Kent, Knight, Maybank, Richard (*Ottawa East*), Robinson, Stewart (*Winnipeg North*). (12.)

The Chairman stated that after the close of the last meeting held on Thursday, June 15, he had received a telegram from Mr. Joel Aldred. He read this telegram as follows:

Toronto, June 15, '50.

Ralph Maybank, M.P.,
Parliament Bldgs., Ottawa, Chairman of Radio Committee,

I wish to correct my statement concerning Mr. Tulk of CBC. I was wrong with regard to his buying CBC discs. Any reference to him to be disregarded.

(signed) Joel Aldred.

The Chairman directed the Clerk to print as an appendix a report of Station CJOB of Winnipeg relating to the Manitoba flood emergency. (*See Appendix to these minutes.*)

The Committee proceeded to consider, paragraph by paragraph, a draft report emanating from the Sub-Committee on Agenda.

Paragraphs 1 to 5 were adopted.

Paragraph 5, viz: "Your Committee believes that. . . .
to "further improve the service in this respect", was adopted on division.

Paragraphs 6 and 7 were adopted.

Paragraph 8, viz: "With further reference to
to "the service which it gives", was adopted on division.

Paragraphs 9 to 11 were adopted.

Paragraph 12, viz: "As with many
to "has been receiving in recent years", was adopted on division.

Paragraphs 13 to 15 were agreed to.

Paragraph 16, viz: "While your committee believes
to "in different parts of the country", was carried on division.

Paragraph 16a, viz: "Your Committee believes that.
to "national interest", was agreed to on division.

Paragraphs 17 to 19 were adopted.

Paragraph 20, viz: "Your Committee considered.
to "Canadian national television system", was adopted on division.

Paragraph 21, viz: "Your Committee is not making.....
to....."in the general national interest", was agreed to on division.

Paragraphs 22 to 26 were adopted.

Paragraph 27, viz: "The Ford Hotel building required.....
to....."an economical and efficient arrangement", was adopted on division.

Paragraph 28 was adopted.

Paragraph 29, viz: "Your Committee was impressed.....
to....."consideration might be given to its extension", was carried on
division.

Paragraphs 30 and 31 were adopted.

The draft report was adopted on division.

The Chairman was authorized to present the above report to the House
as a Third and Final Report.

The Committee expressed unanimously its appreciation to officers of the
Canadian Broadcasting Corporation and the Department of Transport for their
evidence and co-operation.

At 10.40 p.m., the Committee adjourned *sine die*.

Antonio Plouffe,
Clerk of the Committee.

Appendix A

MANITOBA FLOOD EMERGENCY STATION CJOB

This is our story, the story of a 250 Watt Station in Winnipeg, which, during the flood emergency, we believe lived up to the name of "Radio Station CJOB—Working for Winnipeg".

Friday night, May 5 was wet and cold, with a gusty wind that at intervals reached a velocity of 45 to 55 miles per hour, whipping the sleet and the rain across the city. All over Winnipeg, dykes were showing the evidence of too much rain and pressure. It was only a matter of time. It was no longer an offensive fight; men worked feverishly to defend what they could from the river.

As the river rose, the 10th floor of the Lindsay Building, which at midnight, is usually a quiet and serene place, became a hub of activity. All evening the switchboard had been flooded with calls. At 4:00 in the morning the suspense was broken when the dyke which surrounded the large area in St. Boniface, known as Whittier Park, gave way.

After midnight, there were four extra staff members on hand, besides the regular night men (CJOB operates 24 hours a day). As quickly as information was received from the various civilian flood headquarters, it was put on the air. All programs were interrupted to give the public complete service. An information bureau was immediately set up, with a list of essential telephone numbers, to meet the demands of the overworked switchboard. A list of establishments which had rubber boots, pumps, sand bags, and other vital equipment in stock, was kept up to date and this information was given out over the telephone to the people who called this station for assistance.

While the staff at the studio continued to supply the public with information, another battle was being fought. "Operation Transmitter". The water had risen to the floor level in the transmitter building, situated in St. Boniface. The length of line connecting the operational equipment with the tower, had to be raised two feet. When morning finally came, Winnipeg was transformed from a normal centre of commerce to an anxious city of people, clad in hip waders and heavy jackets. Days on end, tired men and women waged a battle with an angry river.

This is our work picture of the first night of the flood, as we saw it at CJOB. The remainder of this report shall attempt to deal with the effort put forth by the various departments of this radio station.

ENGINEERING DEPARTMENT

Their problem: To keep the transmitter on the air at all costs. (Instructions from Brigadier Morton of Flood Control Headquarters). The first night, the water was at floor level in the transmitter building. The next day, *one* of the 250 Watt transmitters had to be jacked up out of reach of the water. With the continual rise, the other transmitter was turned on its side and hoisted to the ceiling. While this transmitter was in operation, a hole was cut in the roof, and the first transmitter was placed on the roof of the building, under a large tent; the other transmitter being removed and placed in storage. The lines that carried the programs from the studio to the transmitter had been unserviceable for some time and the transmitter was fed from an FM Receiver, which in turn was picking up the signal of CJOB-FM, Lindsay Building transmitter, thereby assuring fidelity and contact between the Studio and Transmitter. The greatest danger was the possibility of a power failure. This became a very real threat on Sunday, May 7, CJOB was standing by with power equipment for both

studio and transmitter operation. (The only Winnipeg station, at that time, with these facilities). Flooded telephone mains imposed a blackout of telephone service, which required ingenuity and resourcefulness—solved by the men of the Signals Branch of the Canadian Army. Through the co-operation of Army Flood Control Headquarters, an FM Link was established between the Legislative Buildings, and the CJOB Studios, giving us instant communication with Flood Control Authorities. Calls were logged every fifteen minutes, and our service to the public continued without interruption. During this period, a temporary switchboard was established in the Curry Building, which is adjacent to CJOB Studios, and messages were conveyed to the Studio by messenger and walkie-talkie equipment.

Sunday, May 14th, was the order for the complete evacuation of women and children from St. Boniface—a Mothers Day that many people will long remember. At 3.10 a.m., Monday morning, a few hours after the evacuation order, a power failure threw our auxiliary equipment into instant operation, proving that CJOB power equipment was adequate to handle the job.

This year, an award was presented to CJOB, which stated: "Award 1949. For the highest achievement of member stations of the Canadian Association of Broadcasters, in maintaining the highest percentage of required programming hours on the air". Emergency flood service afforded CJOB listeners might well merit another such award.

Production Department

During the emergency, all programs, where possible, were carried on as usual, with top priority being given to news and messages. Early in the week of May 7th to 13th, the facilities of the station were thrown open to the public to convey the literally thousands of personal messages. Lists of those who had telegrams waiting for them at both the CNR or CPR Telegraph Offices, were read each day at frequent intervals. CJOB established what was known as the 'Quarter hour flood report'. Every fifteen minutes, the public was informed of the level of the river, the temperature, wind, and directives from Flood Control Headquarters. An average of twenty minutes of broadcast time during the hour, 24 hours a day, was devoted to this flood service. Where time allowed, on the spot broadcasts were recorded and sent to various radio stations throughout the country; thus providing another centre in Canada with a true picture of the flood situation. At all times, the Production staff was alerted; many working ten or twelve hours at the studio, and then going home to defend their own homes from the surging river.

Office Staff

During the first few hours of the critical period, our switchboard received urgent calls for coffee and sandwiches for dyke workers along the twenty miles of dykes throughout Winnipeg. An appeal was put on the air, and words cannot describe the truly gratifying response which we received from the public. Immediately, a service was set up to meet the demands of the various canteens throughout Winnipeg. Other services which ordinarily handle this type of service, were still in the process of organization. Under Mr. Blick, President, Miss Peggy Sprague, Secretary to the President and the Accountant, David Darby, the CJOB Food Centre was organized, and the distribution and despatching of food was carried out by various members of the office and production staff, and volunteers, working in shifts, during the twenty four hours a day.

The most needed commodity at the outset was cigarettes. The figures for money and actual cigarettes received during the first day of the appeal are obscure, but the final total to date is over 325,000 cigarettes distributed, and they are still being sent out. Comparatively speaking, this would mean one cigarette for every man, women and child in the City of Winnipeg.

Over half a million sandwiches were distributed; 20,000 chocolate bars; 10,000 biscuits, and 15,000 paper cups, and 288 tins of aspirin. During the week of May 15th to May 19th, 30 gallons of soup, or the equivalent of 5,000 cups, along with 2,000 cups of hot chocolate were distributed nightly to the various dyke locations throughout the city.

After one week of sending sandwiches, bulk coffee, canned milk, chewing gum, chocolate bars, a plea came forth for hot meals. These were rushed in from Women's organizations in response to an appeal sent out over CJOB, providing 500 hot meals a day at one canteen alone. Doubtlessly, this figure was multiplied many times in other emergency food centres.

It is impossible to comprehend the extent of the work done by every organization in Winnipeg. One Sunday morning, shortly after 3.00 a.m., the writer had the opportunity of going on a trip with one of CJOB Flood Emergency drivers. The words of thanks for chocolate bars, cigarettes, hot chocolate, soup and coffee, that came from the policemen on twelve hour duty, the weary dyke workers, the corporal policing a lonely barricaded street, made one realize that this service was invaluable. It proved once again, that men could band together in an effort to give their stricken neighbours a helping hand. Without the help of the hundreds of citizens who came to this station with their generous offerings of food and money, the Companies who sent large contributions of supplies, and the willingness of the many volunteers who came to our aid, CJOB could never have given the people the service and aid they so urgently needed.

This is the spirit of the West; the spirit that made Winnipeg what it is today. Every organization and individual did their part, and this station CJOB, with their help, believes that it truly lived up to its motto: "Radio Station CJOB . . . Working for Winnipeg".

REPORT TO HOUSE

MONDAY, June 26, 1950.

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

THIRD AND FINAL REPORT

The Order of Reference to your Committee was as follows:

TUESDAY, 18th April, 1950

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 opinions thereon and to send for persons, papers and records.

That the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary.

In pursuance of its duties under this Order the Committee held 18 meetings (including a visit to Montreal on the 5th day of June, 1950, for the purpose of inspecting the new radio building there). The annual report of Canadian Broadcasting Corporation for the fiscal year 1948-49 was examined by your Committee. The corporation's tentative financial statement for the fiscal year 1949-50 and a projection of the probable financial situation of the corporation in the year 1950-51 were before the Committee and were carefully considered. The chairman of the corporation, its general manager and other officials appeared as witnesses and were examined at considerable length. Evidence was also given by officials of the Radio Division of the Department of Transport. Mr. William Benidickson, M.P., appeared before the Committee to make certain representations both on behalf of himself and on behalf of Rt. Hon. C. D. Howe. Mr. Joel Aldred of Toronto appeared as a witness on his own request.

Much information was laid before the Committee in written form as a result of requests for specific information made by committee members. Such information in large part was incorporated in the evidence or printed in appendices to the evidence. Copies of the memorandum submitted by the corporation to the Royal Commission on National Development in the Arts, Letters and Sciences were furnished to the Committee. This memorandum contained much information about the activities and condition of the national radio system.

Noting that the Royal Commission on National Development in the Arts, Letters and Sciences is examining into questions of principle governing broadcasting in Canada, your Committee did not wish to encroach unduly upon the field of inquiry of the Commission and consequently did not inquire into questions relating to control of broadcasting as laid down in the Broadcasting Act of 1936. The Committee felt it should inquire carefully into both the present and probable future financial condition of the corporation. The manner of the corporation carrying on its operations, the programs offered by the corporation, the extent of coverage of its service, were matters carefully considered by your Committee. Your Committee heard evidence respecting the plans of the corporation for television. Your Committee gave special attention to the development of broadcasting by the corporation as a result of the

acquisition of the Radio Canada Building in Montreal and considered also the estimates for carrying on the International Service in the year 1950-51, such estimates having been referred to the Committee by motion the 25th day of May A.D., 1950, which estimates were the subject of your Committee's second report on the 13th day of June, 1950.

Your Committee is greatly impressed with the value of the service provided by the national broadcasting system. Such a system linking together Canadians in all parts of the country and broadcasting a large volume of material produced by Canadians is of great importance to the people of Canada as a whole. This is so despite the fact that there are many areas of Canada not yet receiving adequate service and which in the opinion of your Committee should receive it as soon as possible. Your Committee believes that many Canadians do not realize the extent and complexity of the services of the system which has to cover such a wide territory stretching through six different time zones and maintaining networks in two languages. It is a matter of regret that the Canadian people are not better informed about this service and your Committee believes steps should be taken by the corporation to correct the condition. Your Committee believes that when all the difficulties and complexities of such a national radio system are considered the cost of it to the Canadian public is relatively low.

Your Committee believes that there has been some general improvement in programs, and it noted with interest developments such as the Wednesday Night productions, the National Sunday Evening Hour and other Sunday evening broadcasting. While there are many different individual opinions about programs, your Committee agrees with the corporation's general policy of providing programs of different types for different tastes. Also with respect to opinions a broadcasting system in a democratic country must give all different main viewpoints fair opportunity for expression on the air, and this we think the corporation is endeavouring to do. The Committee believes that a substantial measure of balance is being attained in this type of broadcasting and the Committee points out that constant effort should be exerted to further improve the service in this respect.

A good demonstration of the value of national system has been given by the extension of the service to Newfoundland beginning last year with the day of Union. This has undoubtedly been of value to the people of Newfoundland and has been of marked importance in helping to develop an understanding between the new province and the other provinces. Your Committee would like to see still further development of this service.

The value of radio generally has been very well illustrated in recent times by its services to a community in time of crisis. Radio services in both the City of Winnipeg and in rural Manitoba during the recent flood were of inestimable value. Your Committee received reports from both the Canadian Broadcasting Corporation and the private stations located in Winnipeg and St. Boniface. These reports set forth in part the manner in which these radio stations have served the people in the flooded areas. While such reports aimed at being comprehensive statements, members of your Committee who were aware of what had been done characterized them as understatements. Your Committee cannot praise too highly both the national system and the private stations for the fine emergency broadcasting which was done under very difficult conditions.

With further reference to the statement that many in Canada are not aware of the work carried on by the national broadcasting system and the service it provides, your Committee states that in its opinion the Corporation might well do more to publicize its operations and the programs which it makes available in most parts of Canada. It should aim to develop a better understanding of its problems and of the services which it gives.

For many years representations have been made that the City of Windsor and district should be served with a broadcasting station which would bring network service to the people there, and your Committee is pleased to be able to report that the Canadian Broadcasting Corporation will this summer open a station there. The area that will be served by that station is the largest one from the viewpoint of population which has not, up to the present time, been receiving regular national service coverage. Your Committee also notes that the Canadian Broadcasting Corporation is raising the power of CBR at Vancouver and CBM at Montreal to effect additional and improved English language coverage and to maintain the classification of the channels used by these stations under international agreement.

While most of Canada is served by national broadcasting networks, it is a regrettable fact that large and important sections do not enjoy the service. Your Committee feels that if Canadian Broadcasting Corporation is really to be a national broadcasting service large communities cannot indefinitely be left without network programs. There are vast areas in the north west, and in the interior of British Columbia which lack the service. Mr. Langlois, one of the Committee members reminded the Committee of the failure or lack of service to the whole Gaspé peninsula and the eastern half of the Saguenay district, areas which have a population of about 65,000 people, and various other members drew attention to similar conditions in areas of which they had knowledge. Mr. William Benidickson, M.P. appeared before the Committee to make representations both on behalf of the people in the constituency of Kenora-Rainy River and the people of the constituency of Port Arthur. With respect to the latter he was representing the Right Honourable C. D. Howe and presenting Mr. Howe's views. Mr. Benidickson pointed out that the large section of country in which is situated the town of Fort Frances received no network service. There is a local station in Fort Frances, namely CKFI. It would be a proper and suitable outlet for the Canadian Broadcasting Corporation network. Canadian National Telegraphs connects with Fort Frances and the programs could be carried there by its wires. Mr. Benidickson also pointed out there were several communities in the Thunder Bay district which should be receiving network service but are not receiving it. It was clear from his statements that a large number of residents of the areas of which he spoke are paying license fees and not receiving any service whatever from the national broadcasting service. While the officers of Canadian Broadcasting Corporation did not agree that the Fort Frances district was completely without service, they did not claim that the service there was good. There was no disagreement between Mr. Benidickson and the Canadian Broadcasting Corporation officials respecting the lack of coverage in the Thunder Bay district. Every person is agreed that radio service should be extended to such areas. In the opinion of the Committee it is unreasonable to collect radio license fees indefinitely from people who admittedly get no service from the organization which is supposed to serve them. At the same time it must be remembered that the Canadian Broadcasting Corporation problem with respect to serving such communities is a purely financial one. Officials of Canadian Broadcasting Corporation stated that for a considerable time they have desired to provide network service in areas such as Fort Frances, Thunder Bay, Gaspé, Eastern Saguenay, Northwest Territories, parts of northern and of central British Columbia and other places. To do so in many cases, however, would be a very costly undertaking. Your Committee recognizes the financial barrier but feels it should emphasize the need of network service for all such areas.

As with many, perhaps all organizations, the paramount question for Canadian Broadcasting Corporation is a financial one. The Corporation's revenues and expenditures do not balance. It has a deficit at the present time. Next year its deficit will be larger. The year after next the deficit will be very

much larger. The Committee examined breakdowns of revenue and expenditures for the year 1948-49 and for 1949-50 and also examined estimated revenue and expenditures for 1950-51. Your Committee has no fault to find with the corporation's expenditures up to date or with those estimated for the future. The Corporation appears to be efficiently managed and we would say that great care is taken by the Board of Governors and management to keep expenditures to such minimum as is consistent with a reasonable standard of service. That standard cannot be maintained unless the corporation receives much more revenue than it has been receiving in recent years.

For a number of years the corporation carried on its activities and kept well within its income. In addition it also paid off, in many cases before the due date, loans that had been made to it for capital purposes. But in recent years the cost of all things which the corporation had to buy, and services for which it had to pay, have risen greatly. It has been necessary to raise salaries to keep pace with the cost of living although salaries are still moderate in this employment. Also the price of services of all kinds has risen steeply. The corporation states that on the average it requires twice as much money now to do a broadcasting operation as was required for the same operation in 1938. The Committee finds no reason to quarrel with this statement. Moreover, the corporation officers aver and your Committee agrees, that standards of broadcasting demanded by the Canadian public have risen throughout the years and, consequently, more money must be spent to satisfy such higher standards.

It is true that revenues of the corporation have risen somewhat throughout the years; but the improvement was not proportionate to its necessarily increased expenses. Commercial revenues account for only about 30 per cent of the income of the corporation. While these have gone up considerably in recent years, officers of the corporation point out that already too many commercial programs for the taste of many listeners are being carried on the networks and in any case that there is not time left in the broadcasting day to be used for increasing the income from commercial programs. To obtain more money from commercial programs would mean going extensively into the field of non-network advertising which, until now, has been left mainly to private stations.

For the year 1950-51, a breakdown of estimated revenues to maintain present services and standards and of expenditures to take care of commitments shows a deficiency of \$962,000. To such a situation there can be only one of two solutions: services rendered must be cut to reduce costs; or some way of increasing revenue must be found.

While your Committee believes that the problem of the corporation is a revenue problem it cannot be denied that the corporation should carry on without any increase in revenue and yet have no deficits. It could live within its means. It could reduce expenditures. The consequences of doing this would however, be disastrous. After the corporation had cut expenditures to the extent necessary to attain a balanced budget, the Canadian people would no longer be entitled to refer to Canadian Broadcasting Corporation as a truly national broadcasting system or service. A number of well known Canadian programs would have to be dropped and others would have to be reduced in quality. It would require cutting out whole departments of the Canadian Broadcasting Corporation organization, departments which are important. Network coverage in some areas of the country would have to be eliminated. Less populated and distant areas would suffer first. Extensive and close questioning of the management elicited information as to the extent and type of reductions which would be required to reduce costs to the extent necessary to offset the deficit. Some eliminations would be: Wednesday Night productions; Stage 50; Star-time; Opportunity Knocks; Gilbert and Sullivan series; general reduction in different types of programs including popular orchestral and song broadcasts,

children's programs, religious programs and dramatic series. Also there would be: a 25 per cent reduction in live programming in points such as Vancouver, Edmonton, Winnipeg, Halifax and St. John's; the dropping or reducing of a number of programs on the French network; the discontinuance of departments such as farm broadcasting, news, public affairs and actuality broadcasting; eliminating radio transmitters in British Columbia and Ontario; and stopping network service to some 18 private stations in different parts of the country.

Your Committee believes that such reduction of services is unthinkable. It would so heavily reduce the value of the system that it would be against the national interest.

Your Committee has already pointed out that additional coverage should be supplied; that areas not now served should be served. A partial list of these is as follows:

Prince George-Prince Rupert area; Kootenay and Arrow Lakes districts of British Columbia.

Rainy River, Thunder Bay and Algoma districts of Ontario.

Temiscomingue and Gaspé regions and Eastern Saguenay.

Parts of Restigouche and Northumberland districts of New Brunswick.

Parts of Nova Scotia including Cape Breton.

Parts of Newfoundland.

To extend service to such places will not yield more net revenue. On the contrary, it will probably increase costs to supply the services. Consequently, if Canadian Broadcasting Corporation were to "live within its means" all thought of serving such places would have to be abandoned.

Although the Committee recognizes that Canadian Broadcasting Corporation must have larger revenues it makes no recommendation with respect to the precise method to be employed in increasing those revenues. This is a matter of principle upon which the Royal Commission on National Development in the Arts, Letters and Sciences will undoubtedly make a recommendation. Your Committee, however, believes that whatever method may be adopted to put sufficient funds into the hands of the corporation it should be one under which the independence of the corporation is assured.

Your Committee was impressed with the importance of television because of the strong influence it will have in the Canadian homes into which it enters. It is obviously in the national interest that television in Canada should be essentially Canadian, and that it carry in large proportion Canadian material, produced by Canadians, to be seen and heard by Canadians. Such a development will undoubtedly be more expensive than a development under which the majority of the programs come from the United States.

Your Committee considered the present plans of the Canadian Broadcasting Corporation for establishing television production centres and transmitters in the Montreal and Toronto areas. These will bring television programs directly to people in these areas, but will also be able to serve as key points from which programs can be sent out to stations which will be established in other areas. Such programs, according to corporation representatives, would in the first instance go in the form of kinescope recordings. Your Committee believes that these centres should be a good beginning for a Canadian national television system.

Your Committee is not making recommendations regarding the principles under which television should be extended and developed in general, in other parts of the country, including the extent to which facilities might be operated

by public or private enterprise, since the Royal Commission has such principles under consideration. It does see the need for the establishment of some proper and adequate system of financing Canadian television development in the general national interest.

Before considering the matter of the purchase and transformation of the Ford Hotel Building, your Committee visited Montreal to inspect it. It was favourably impressed by what it saw. It believes from its inspection that the Canadian Broadcasting Corporation has done good work in the planning and construction of facilities in the building. To your Committee, the arrangements appeared efficient and ably executed.

Your Committee reviewed the reasons for the acquisition of the building. As agent for the government the Canadian Broadcasting Corporation carries on the International Service of broadcasting with funds provided specifically by Parliament for the purpose. Headquarters of this service were in inadequate premises at two different locations, and notice had been given that the main one of these had to be vacated. Also the Canadian Broadcasting Corporation had needed for some time suitable fireproof premises in one location to house the Montreal operations of its national service which had been divided in different buildings. Facilities for programming and studio operations were unsatisfactory and it was essential that other quarters be found, particularly after a dangerous explosion forced the vacating of the studios for some months two years ago. In seeking new premises, there were obviously many advantages in locating all operations in one place, including both national and international operations which could use many facilities jointly.

The corporation investigated various possibilities and came to the conclusion two years ago that the Ford Hotel Building was the best under the circumstances. The Government decided to buy this building to provide headquarters for the International Service and also to make possible having the Montreal national operations of the Canadian Broadcasting Corporation under the same roof, with the corporation paying appropriate rent. The corporation was authorized to act as an agent for the government to proceed with the purchase and necessary transformation of the building. Funds for the purposes were provided by Parliament.

The price paid for the building may be said to be \$2,200,000. This was \$2,050,000 for the Ford Hotel Building itself including the small office building which was attached to the former hotel and \$150,000 that had to be paid for clearing of leases of tenants who were in the building. Representatives of the corporation made extensive search for other buildings and for sites upon which buildings could be erected. It would seem to your Committee that the corporation made the best choice it could in deciding to purchase the Ford Hotel building. The Committee was impressed with the general manager's statement that it would have cost the government from one million to two million dollars more than the Ford Hotel purchase to have acquired land and to have constructed thereon an entirely new building providing the same space and facilities as did the Ford Hotel.

The Committee is satisfied that the structure of the Ford Hotel was well adapted to broadcasting needs. The Committee was able to see with its own eyes that some newspaper statements regarding the building were nonsense. For instance a newspaper indicated that a wall was collapsing. Your Committee examined the basis for this statement. It was quite inaccurate. The sole justification for it was that additional foundation support was being given to walls beside the site where a new television building is being erected and in excavating for it lateral support is being removed from the walls of the Ford and other buildings. Proper construction methods require in such circumstances that foundations of such walls be made secure.

The Ford Hotel building required to be completely transformed inside for the purposes of a broadcasting organization. The Committee received evidence as to how this transformation is being carried out. The main contract for transformation was given to a general contractor on the basis of a fixed fee of 8 per cent. There was, however, a limit on this 8 per cent fee. The corporation made its own estimate of transformation costs which was \$1,000,000 and the percentage fee was reckoned on this estimate only so that if extra costs were incurred the fee would not exceed \$80,000. The general manager of the corporation and other officers gave evidence that calling for competitive and fixed bids for the transformation work, if possible at all, would have meant delay of some months since the corporation would have had to produce detailed drawings and specifications to call for tenders. This, if it could have been done at all, would have been very difficult because many drawings could not be made satisfactorily until reconstruction work had actually begun. Your Committee also noted that under the arrangements over 70 per cent of the money expended in the reconstruction work is paid to sub contractors. All sub contractors have been let by the general contractor to the lowest bidder, and only upon approval of the corporation, so that in the end result Canadian Broadcasting Corporation has had in large measure the protection that usually flows from competitive bidding. Your Committee also noted that the corporation's architectural and engineering departments have been able to supervise the work day by day and during most of the construction have been actually housed in the building to provide for very close checking, both on the general contractor and on sub contractors. Your Committee believes that under the circumstances making of the general contract on a fixed fee basis of 8 per cent was an economical and efficient arrangement.

Your Committee noted that an arrangement had been made with the same contractor, also on an 8 per cent fixed fee basis, for the foundation, floor slabs and framework of the new television building abutting on the former hotel building. It was explained that it would have been unsatisfactory to have a different contractor carrying out this operation since the work actually involves using part of the structure of the main building, and also that the contractor in question had much experience in the type of work necessary under the conditions in the area.

Your Committee was impressed by what it saw and heard of the work of the International Service. It found evidence of every considerable interest in Canada on the part of people in other countries due to the factual broadcasts of the International Service. Your Committee noted that the service was carried on in consultation with the Department of External Affairs. Your Committee is of the opinion that in these times of international stress the work of the International Service should be maintained and that consideration might be given to its extension.

Mr. Joel Aldred, a radio announcer of Toronto, requested the Committee to hear him, and he indicated that he would present criticism of the corporation under several headings. He represented in correspondence that statements of Canadian Broadcasting Corporation to your Committee and also to the Royal Commission have been dangerously sketchy and in some cases inaccurate and also that there was much waste in connection with the corporation's activities. Mr. Aldred's evidence, where it was not hearsay, was merely opinionative based on his observations both when he was an announcer for the corporation and since he ceased such employment and has been a free lance announcer. The Committee was not impressed by Mr. Aldred's evidence.

Mr. G. C. W. Browne, Controller of Radio, Department of Transport, gave evidence. He reviewed the work of his department in the collection of private receiver set license fees. Costs of collection of this license fee run to between

12 per cent and 13 per cent, which seems to your Committee to be a very high collection cost. In saying this your Committee intends no criticism of Mr. Browne or his staff, who in fact are both conscientious and efficient, but it would suggest that unremitting consideration be given to discovering less expensive ways of obtaining these fees.

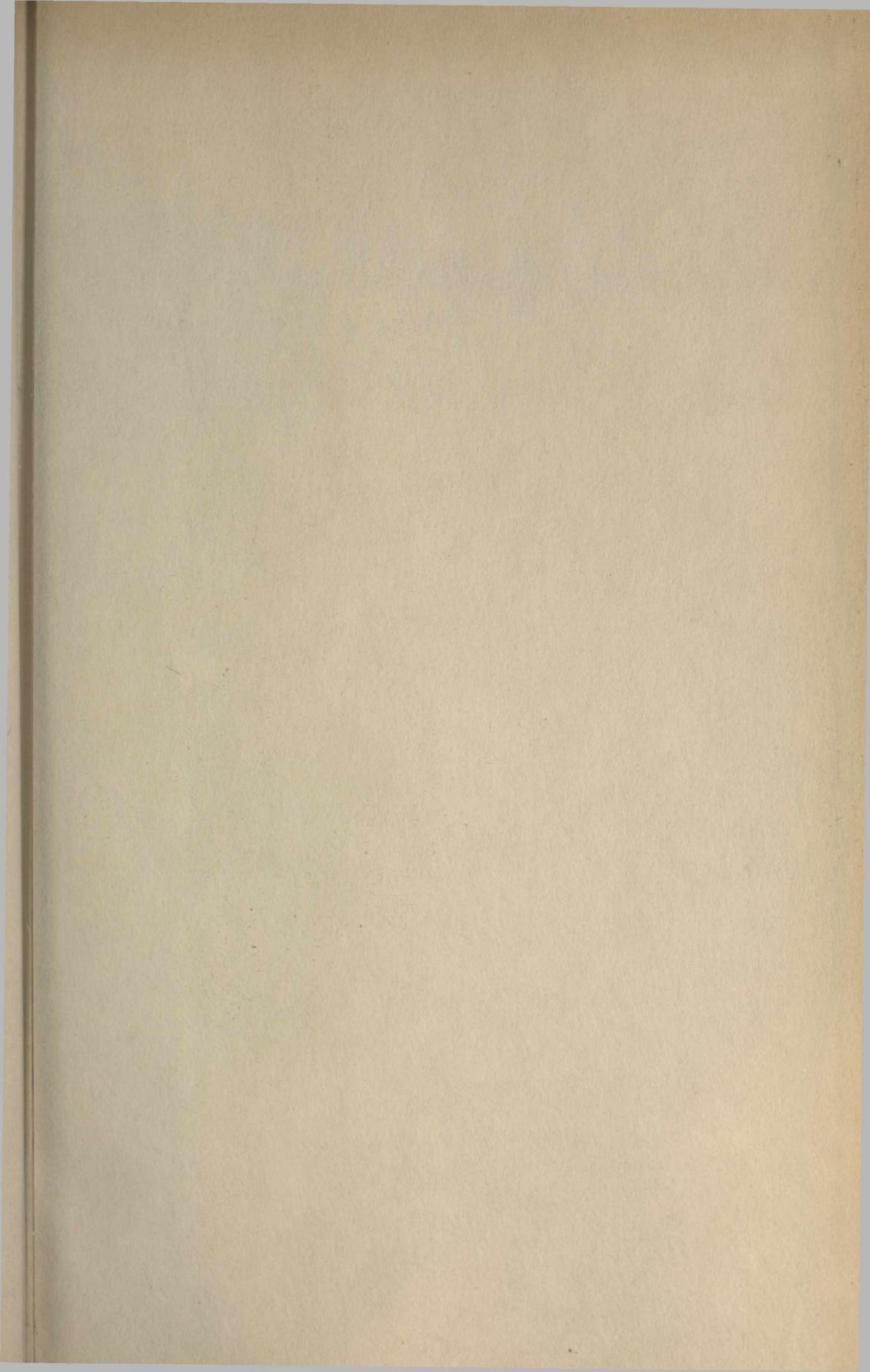
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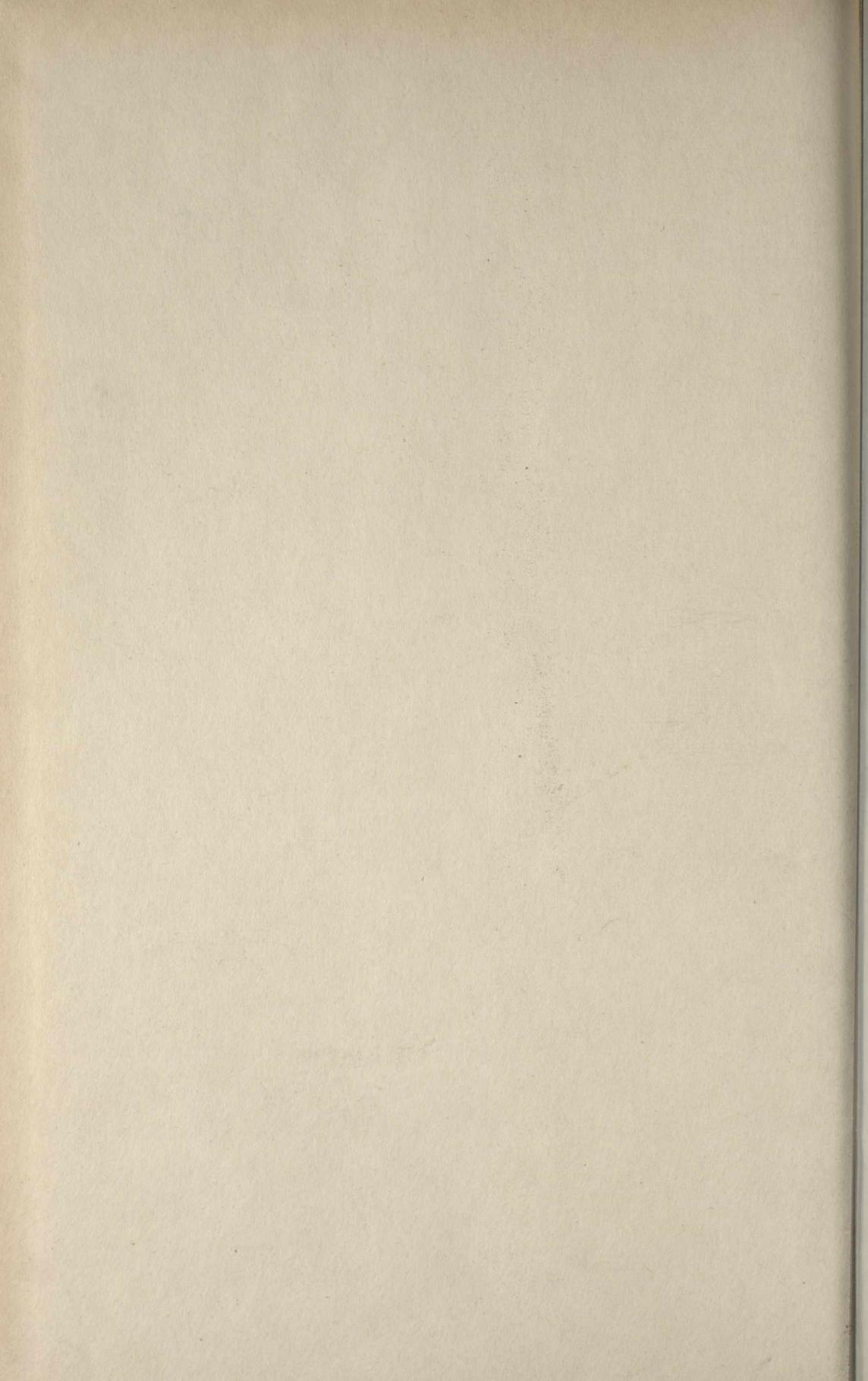
All of which is respectfully submitted.

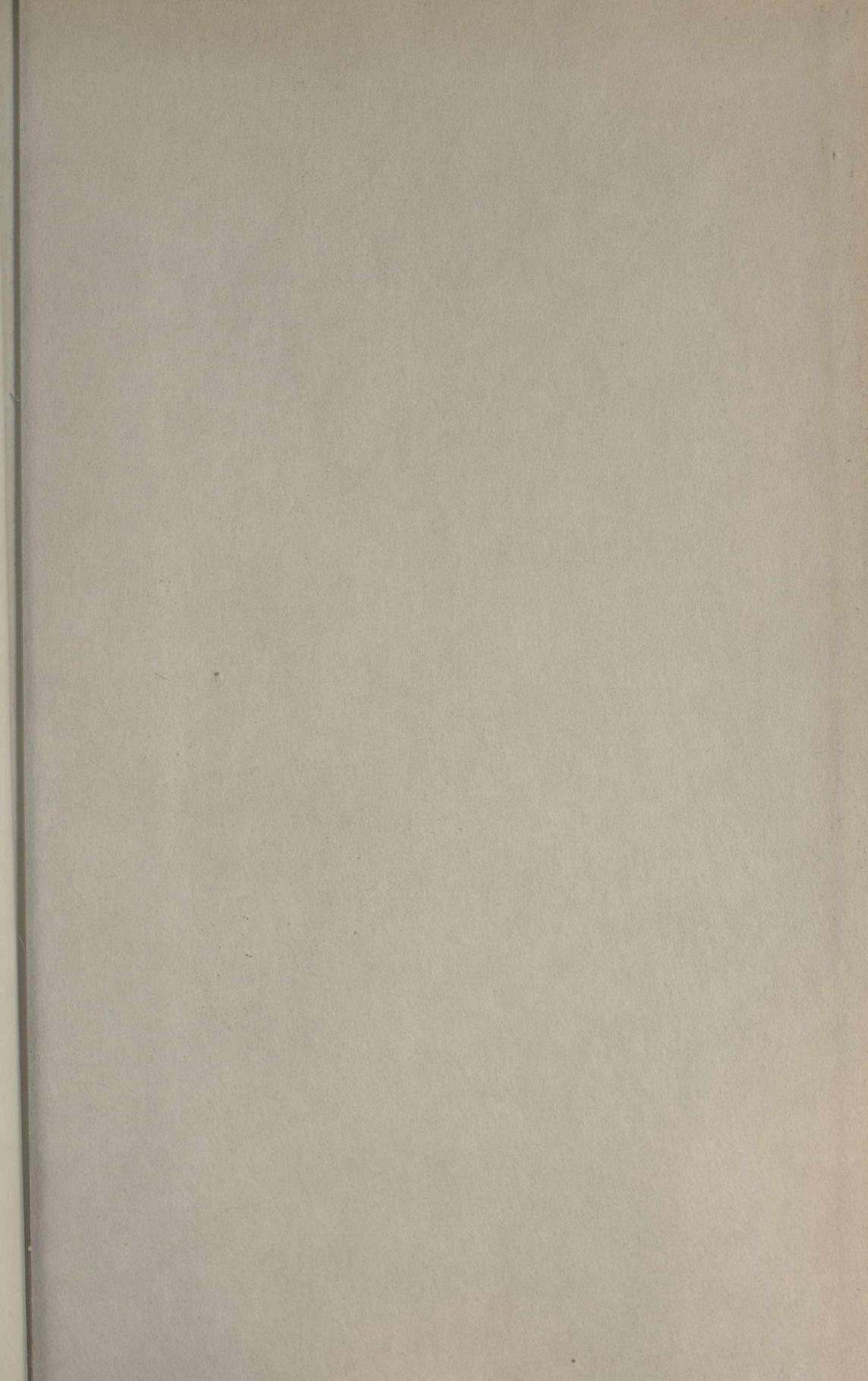
RALPH MAYBANK,
Chairman.

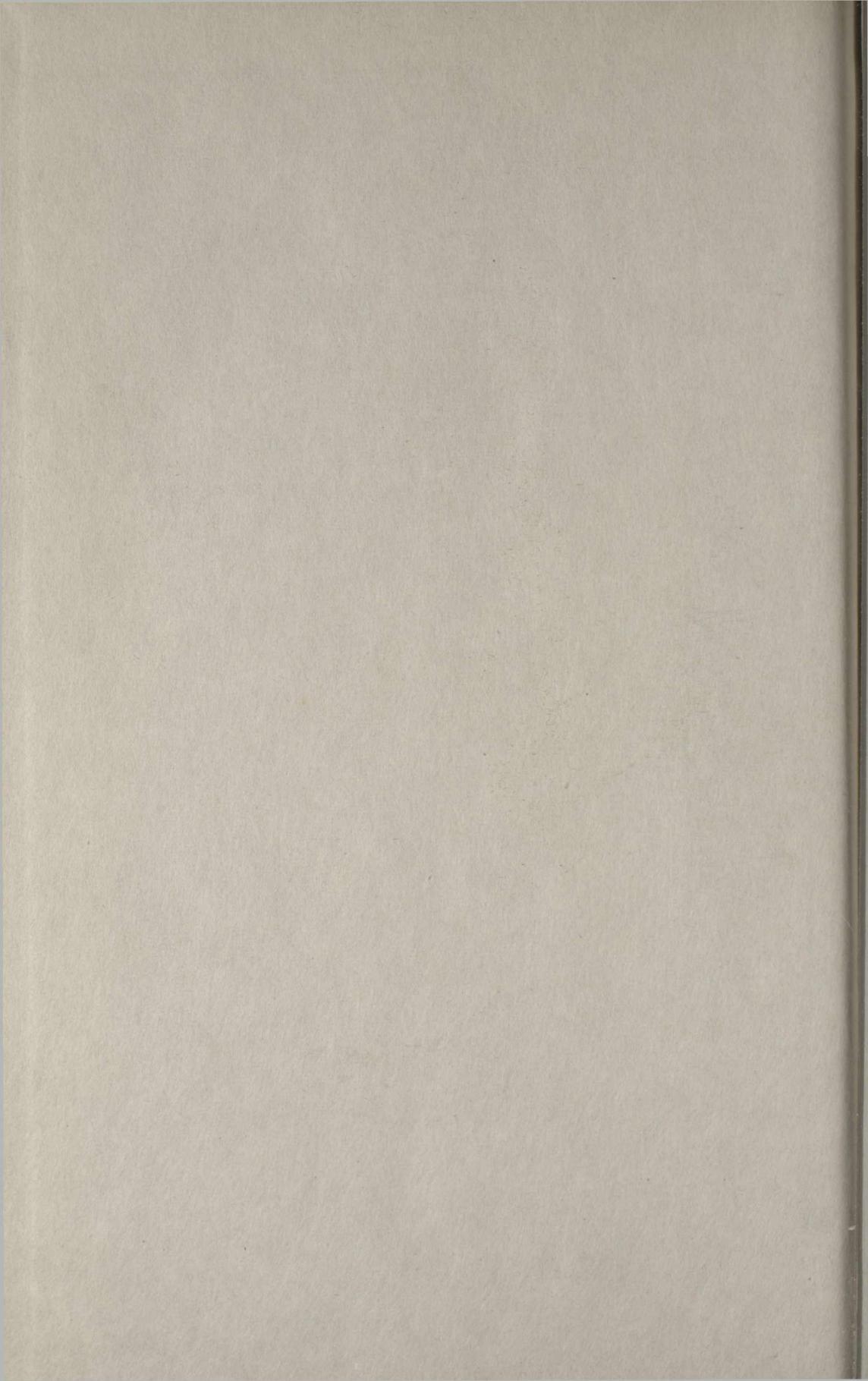
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