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STANDING COMMITTEE ON BROADCASTING,
FILMS AND ASSISTANCE TO THE ARTS, 1966/67.

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HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. GÉRARD PELLETIER

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

WEDNESDAY, JUNE 8, 1966

Main Estimates (1966-67) of the Department of the Secretary of State

---

WITNESS:

The Honourable Judy LaMarsh, Secretary of State

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24399—1

STANDING COMMITTEE ON BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Gérard Pelletier

Vice-Chairman: Mr. Ron Basford

and

Mr. Allard,
Mr. Asselin (*Charlevoix*),
Mr. Béchard,
Mr. Berger,
Mr. Brand,
Mr. Cowan,
Mr. Fairweather,
Mr. Hymmen,
Mr. Johnston,
Mr. Langlois (*Mégantic*),
Mr. Lewis,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
Mr. Macquarrie,
Mr. McCleave,
Mr. Nugent,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Stafford,
Mr. Stanbury,
Mr. Trudeau—(25).

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, June 8, 1966.
(34)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 3.50 p.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Allard, Asselin (*Charlevoix*), Basford, Béchard, Fairweather, Hymmen, Langlois (*Mégantic*), MacDonald (*Prince*), Macquarrie, Pelletier, Prittie, Sherman, Stafford, Stanbury, Trudeau—(15).

In attendance: The Honourable Judy LaMarsh, Secretary of State; Mr. G. G. E. Steele, Under Secretary of State; and Mr. Claude Gauthier, Assistant to the Commissioners and Secretary of The Centennial Commission.

Also in attendance: Dr. P. M. Ollivier, Q.C., Parliamentary Counsel.

On motion of Mr. Béchard, seconded by Mr. Sherman, the Committee agreed to print 750 copies in English and 350 copies in French of its Proceedings relating to the estimates of the Department of Secretary of State and agencies for which the Minister is answerable to the House with the exception of the C.B.C. and the Chief Electoral Officer.

The Chairman called the first item of the estimates of the Secretary of State Department:

1. Departmental Administration..... and invited Miss LaMarsh to make a statement.

The Minister reviewed the activities of her department and the agencies for which she is answerable to the House, and was examined on her statement.

Item 1, Departmental Administration, and

Item 10, Translation Bureau, were adopted.

The balance of the Estimates after consideration, were allowed to stand to enable the Committee to hear witnesses.

The Chairman thanked the Minister, and at 6.10 p.m. the Committee adjourned until 9.30 a.m. on Friday, June 10.

M. Slack,
Clerk of the Committee.

24399—1½

EVIDENCE

Recorded by Electronic Apparatus

WEDNESDAY, June 8, 1966.

● (3.50 p.m.)

The CHAIRMAN: Order, please. I will now call item 1 of the Estimates of the Department of the Secretary of State; Departmental administration, and ask the Minister to make a statement.

DEPARTMENT OF SECRETARY OF STATE

1. Departmental Administration, including a grant of $100,000 to the Fathers of Confederation Memorial Trust, Charlottetown, P.E.I., $743,600.

Hon. JUDY V. LAMARSH (*Secretary of State*): Gentlemen, it gives me great pleasure to be here for a second time in the deliberations of this Committee. I apologize for being a little late, but at that I suppose I am ahead of some Committee members.

At the first session when I appeared, Mr. Chairman, you will recall that I suggested that the then very contentious matter which was uppermost perhaps in the minds of Committee members might be dealt with, and subsequently the matters of the BBG and the CBC might be deferred and be dealt with with the White Paper. As I have told the Committee and the House since, I have every expectation that by the end of this month, although I cannot say how much before, the White Paper on broadcasting will be available. It is not that the decisions have not been made or the paper prepared but the technical difficulties of translation and of preparing a paper, which we believe will have a very wide distribution, are considerable in themselves. Accordingly, after completion of the decision-making process, the technical matters take a number of weeks. I still hope it will be available before the end of June.

As honourable members will appreciate, I cannot answer of my own knowledge any and every question which may arise from the estimates, but happily the agencies which the Secretary of State now reports for, are served, and very competently served, by a number of chiefs of agencies who, it will be appreciated, all have deputy minister status, and in the case of the Civil Service Commission, all members of the commission, I am informed have, deputy minister status. There is as well an Undersecretary of State who is responsible on one side for many of the agencies and on the other side at the moment the Deputy Registrar General.

The estimates which are before the Committee are estimates which deal with both sides of the Department, both Secretary of State and Registrar General. It will be recalled that about a week ago the new bill on the organization of the government was before the House and has passed the House which removes some of my responsibility, or will when it has passed the upper

chamber and has been proclaimed. Some matters now found in the Secretary of State's estimates, patents and copyrights, in particular are to be vested in the President of the Privy Council who will be reporting in the House on these estimates. I also would assume that members of the Committee would not be particularly concerned about those matters, although Mr. Miquelon, the Deputy Registrar General, is present, should there be anything the Committee wishes to deal with in the matter of transfer.

I should also like to thank members of the Committee for releasing me from a suggestion which I made when I first appeared, when I intimated that there would be two pieces of legislation which might be considered by the Committee; the first with respect to the Film Development Corporation and also the piece of legislation dealing with the National Arts Centre. These two pieces of legislation have already appeared on the order paper, one on Monday last; the resolution was passed and the bill has now been made public; the other one remains to be presented to the House. It was thought that the Committee might accede to my request to have these dealt with directly by the House, and I am very grateful for the fact that the Committee concurred in that.

May I say, Mr. Chairman, that the matters which are to be dealt with now are considerably more tame than those with which the Committee has had to deal with in the last few weeks. It does not mean that the people that the Committee is going to deal with are tame. These things are mainly cultural agencies and the Civil Service is partly cultural and partly not I suppose. The people who head them are very special kinds of Canadians, who have not only considerable administrative skill but skill and knowledge and training in their own particular fields. They are policy people, they are the idea people, in large part. Some of them are responsible directly to me; some are responsible through boards. Perhaps the Committee is more familiar with the CBC kind of board which is charged with management responsibility and I am a sort of conduit pipe and some of the other agencies that remain to be dealt with are in the same general position.

Of course, this afternoon I am going to deal with the non-broadcasting agencies on the assumption, Mr. Chairman, that the Committee will wish to deal with the BBG and CBC later in this month or early next month in concert with the White Paper on broadcasting.

Furthermore, another responsibility of mine is the matter of elections, and Committee members will know that this matter has been referred to the Elections and Privileges Committee. It does not fall within the aegis of this Committee.

Further, there are some nine other agencies for which I am responsible. The registration division and corporations branch which, currently are under the Secretary of State, are to be transferred to the new department of Registrar General, which I am informed the President of the Privy Council will be handling. As is also known, the citizenship branch of the present Department of Citizenship and Immigration, will be coming to my department, but it is not yet there, and this is not reflected in the estimates. In the estimates, members will find an item under Vote 23S, on page 430 of the estimates book, with respect to matters of education. There is an item of some $28,220,000 which formerly appeared under the finance vote, and this is the beginning of the bringing

together of the federal government's responsibility in the field of education. That figure is based on the former $2 per capita formula, and does not reflect the increase to $5 per capita which the Prime Minister announced in January. So it is necessary to have a supplementary estimate later to provide for that increase.

The estimates for the translation bureau it will be noted show an increase of almost half a million dollars—$440,000—over the previous fiscal year. That increase is as a result of an upward revision in salaries and translators' fees which has resulted in a substantial improvement in filling the many vacancies which we had. I am informed that under this new schedule of salaries, the Civil Service Commission has been able to fill most of the positions vacant from the previous year, and in addition, has been able to establish additional positions for the current year. Members are probably aware that one of the bottlenecks in government is the bottleneck of translation. They have great difficulty in getting really good people who will work here on translations from one language to another. Both of them are necessary, both of them are dealing with voluminous reports, and in many cases, with highly technical material. I hope members will witness a noticeable improvement in the translation of official documents as a result of the attack on it by way of salary revisions and increased staff.

The National Museum lies within the role of the Secretary of State. Here, as announced I think in the Speech from the Throne, there will be new legislation anticipated before the end of the current session of parliament.

• (4:00 p.m.)

There is provision in this year's estimates for the development of the administrational structure of a new Museum of Science and Technology. The chief of that division will be chosen since the legislation provides for it through civil service competition, and not be an Order in Council appointment, but a Civil Service appointment, as director of the new museum. We have already announced that we are aiming at a structure consisting of three museums, that of natural history, of human history and of science and technology. For some time we have been looking forward to the construction of a new museum building at Confederation Square near the Performing Arts Centre. As hon. members will know, at the time of the budget announcement, it was specifically mentioned, that it was deferred for the moment, but for obvious reasons we are very hopeful in the Secretary of State Department that a start on the structure may be made before very long. We would like our national museums to equal in presentation, and convenience to the public, the other structures where national collections occur.

Members will have read and heard much lately of the National Arts Centre which falls within my department. A resolution was passed in the House on Monday and legislation has now been made public for the setting up of the Performing Arts Centre in Ottawa. That bill, I suppose, will be familiar to members of the Committee. The matter of increase in cost is appropriately dealt with under Public Works estimates, and not under the estimates of the Secretary of State. Like every other department, buildings are built by Public Works. Tenders are called by them and accepted or rejected, and we, having

been consulted in the plans, except what we are given at the end of it. So I hope members will not want me to deal to any great extent with the matter of costing of the structure itself, at least here.

The Centennial Commission, a matter of increasing interest, is a vote under the Secretary of State. It will be noted that there is an increase of about a little more than $4 million over the previous year. Most of that is an increase of from $9 million to $13 million in the Centennial of Confederation Fund, from which the Centennial Commission makes grants in co-operation with the provinces for special centennial capital projects. Some 1956 projects have now been approved by the provincial and federal governments. Most of them require the construction and development of new community and recreation centres, parks and play areas and cultural centres of one kind or another.

There is another centennial program which is of special knowledge and interest to most members of the Committee and that is the youth travel program. Last year and this year some six thousand elementary and secondary school children will be participating in inter-regional exchanges which are directly sponsored by the Centennial Commission. Another six thousand will be assisted in a similar way through commission grants to voluntary organizations.

The Civil Service Commission which reports through the Secretary of State has been in a period of change with a relatively new and vigorous Chairman. Although it has been doing tremendous work, particularly in the last few months, that is not particularly reflected in the estimates which are before the Committee for the civil service. Here, since last October, the Commission has been undergoing a very significant change in both organization and procedure in its approach to staffing the public service of Canada. There is a newly organized Staffing Branch which has been expanded, and a very considerably stepped up Language Training Program. These will be represented before the House of Commons in supplementary estimates. I am informed that the Commission's Language Training Program alone has doubled in size and capacity in the past few months, and a further 150 positions in the public service have been added for this specific purpose.

There is, of the cultural agencies, a very interesting one, the National Film Board, which has been a matter of considerable pride and credit to the government of Canada in the past years. This year it is asking for about $7,250,000 which is an increase of about half a million dollars over the previous fiscal year. That increase is divided into some $411,000 for the administration, production and distribution of films and other visual materials, and about $100,000 for new equipment.

I am told that the Board has appointed regional representatives in the last few months resulting from the Film Board's concern that it is too dependent upon Montreal and its immediate environs for ideas and film locations, technicians, and generally for talent for its films. So the appointment of representatives in the western provinces, in Vancouver and Toronto—and it is going to appoint them in the prairies and the maritimes—will mean the Film Board will become more truly a national agency.

I think that members of the Committee will know that the board has been providing audio-visual aids to Canadian schools in the form of films, filmstrips and other material based on photographs. Most of the Canadian schools are now

using material which comes from the States, and it is obviously related more to American curricula than to Canadian. The Board is going to expand its production work in this field and it is going to do it in co-operation with the provinces who meet annually with the Film Board to discuss their film needs. So you will find an additional $60,000 earmarked for that purpose.

Of recent days the National Gallery of Canada happily has been again in the public eye. I hope members of the Committee have noted with approval the appointment of Dr. Jean Sutherland Boggs, who has just entered the room, as Director of the National Gallery. I am very happy to have Dr. Boggs here; her qualifications are without reproach, and I hope that you will forgive me for also being happy to find that the qualifications happen to reside in such a charming body. I suppose that is not a very politic word to use. I hope Dr. Boggs will forgive me.

In the long and difficult search I have had very good reason to be grateful to the Acting Director who carried on for some nine or ten months and who I think is also here. Dr. Dale, in a period of change in government and over an election period, of finding itself again, has worked with great goodwill and dedication for the service of Canada as Acting Director of the Gallery, and he with Dr. Hubbard and other representatives in the Gallery are much to be thanked for what they have done. I am informed they are already of considerable assistance to Dr. Boggs. You, of course, Mr. Chairman, will have an opportunity to interview or have as witnesses any member you choose of the Gallery. As is known, there is new Gallery legislation to be introduced this year, and while under the old legislation the Director of the Gallery is a civil servant appointed by the Civil Service Commission, under the new legislation the Director will not be a civil servant but will be an Order in Council appointment. I hope that with the increasing interest in the visual arts and painting and sculpture in particular, we will be able to make of our National Gallery a really vital force throughout the country and not just in our capital city.

You will notice that in the last year there has been an increase of the regularly voted money for acquisitions for the Gallery. It is now up to half a million dollars this year in this estimate, although in looking at the estimate itself it would appear that we are asking for less money than last year. I am informed that the difference is the special acquisition, which Dr. Boggs or Dr. Dale will be able to tell the Committee about, in the last year which was not a regularly voted amount. I might say that the Committee will find, Mr. Chairman, no amount for a da Vinci. The Gallery does not yet own one. Who knows, it may some time in the future, but no such item will be found now. There have been, however, some rather special acquisitions which the Committee might be interested in asking the Gallery representatives about.

The Public Archives and the National Library are currently in the midst of the third phase of an expansion program. There is a new building which all Members have seen rising on Wellington Street, and, as in the case of the National Gallery, when it was brought into the heart of the city, it is anticipated that this construction of a new Public Archives and a National Library will result in substantial demands for increase in service. I am informed by Public Works that this building will be open or ready for use about October, and I

think the last arrangement was that the public opening would be early in Centennial year. They will be moving in the latter part of this year and the early part of next year.

The Queen's Printer is another agency which is responsible to the Secretary of State Department, and there you will find an increase. This is largely the result of printing three Centennial publications which are to be called "The Image of Canada", "The People of Canada" and "The Parliament Buildings". These three new publications will cost about $935,000. The rest of the increase is for administrative expenses.

Some time this fall the Queen's Printer is opening a new bookstore at Halifax. That will bring to six the number we have, the others being in Vancouver, Winnipeg, Toronto, Ottawa and Montreal. We are now thinking of opening Queen's Printer bookshops in other countries. The Queen's Printer has been considering, as has the government, possibly a New York City outlet and perhaps one in Paris and one in London.

Very briefly, Mr. Chairman, this is a resumé across the breadth of the governmental responsibility. Citizenship, as I say, and education, aside from the one item transferred from Finance, do not appear, since as yet estimates have not been prepared and they will appear subsequently in supplementals. Special votes may also appear in the future, but these are the cultural agencies of the government which added together with the civil service and the Election Expenses committee represent the agencies for which I am responsible.

Therefore, Mr. Chairman, I shall be happy to try and answer anything but I again call to the attention of members of the Committee that there is a Deputy Minister at the head of each of the agencies who will be able to answer in detail any questions.

(Translation)

Mr. ASSELIN (*Charlevoix*): Mr. Chairman, I would like to call the attention of the Minister. On page 431 there is an item here which is rather close to my heart and which at the present time is giving rise to some difficulties for certain municipalities. I have reference to Item D—Centennial Commission, paragraph 45, where it is provided that there would be a payment from centennial funds of grants to provinces for local projects of a lasting nature, the total of such grants made from the said fund not to exceed $18,935,000. Now, what happens is that in certain cases this has given rise to some difficulties. I will give an example of this. In certain municipalities, there has been a change of administration over the last winter. The preceding administration had submitted to provincial authorities a plan for the construction of centennial projects. The new administration has often changed the plans and specifications and indeed often, in many cases, the actual site of the project. In consequence, the provincial governments did not have the time—and specifically here have reference to the province of Quebec—have not had time to revise the new plans which have been submitted by the new municipal councils and have remained under consideration. I was told, and I will give you here a concrete example, that the town of la Malbaie had, during November, presented a plan which was later changed by a new municipal council. This plan was presented to the Secretary of the Province. This project is still under study. I was lately told that

the provinces were to present to the federal government their plans for acceptance by May 15, 1966. This is true not only of my own constituency, but is true of other constituencies in the province. Now, if this date of May 15, 1966, is adhered to by the federal government for the acceptance of provincial plans, this will hurt certain municipalities in the Province of Quebec who would obviously like to have their centennial building. There is another reason why I would like the Minister to reconsider the date for the presentation of plans with regard to the Province of Quebec. During the election campaign, it was impossible for the Ministers involved, and more particularly for the Secretary of the Province, to study projects submitted, by municipal councils—revised plans, that is. Obviously, then, certain muncipalities are late because the Province has not accepted their plans for transmission to the federal government. I would therefore like to ask the Minister, because of the difficult circumstances in which certain municipalities are to be found and because we have, in the Province of Quebec, a new administration, if it would be possible for the Minister to make a recommendation to the Centennial Commission for the cut-off date of May 15, 1966, to be put back, say, to July 15, so that these municipalities could avail themselves of these facilities which would be used to celebrate the centennial?

(*English*)

The CHAIRMAN: I would like to submit to the committee that it would probably be better to decide whether we want to go from one point to another, crisscrossing, on all the pages or whether we want to take items 1 and 5, 10 and 15.

(*Translation*)

Mr. ASSELIN: Mr. Chairman, I did not follow the order, because I think this is an urgent problem since the federal has provided for a cut-off date with respect to the presentation of projects. If this cut-off date is, as we have been told, May 15, 1966, several municipalities will be deprived of a centennial project.

The CHAIRMAN: Since the question was authorized, the answer will be authorized too.

(*English*)

I would like to have the opinion of the Committee on whether you want to proceed in a strict order, or whether it is as efficient to go from one vote to the other. I personally have no particular views on that. I want the Committee to be clear about how it wants to operate.

Mr. TRUDEAU: We are having the assistants of the Minister and we may as well follow the order so they will know in what order to be present.

The CHAIRMAN: Shall we follow the order after this question?

Mr. TRUDEAU: I have no objection, Mr. Chairman.

The CHAIRMAN: It should be understood I think that the proposal to go from one vote to the other in the order that they are presented is to apply while the Minister is with us. Of course, after the Minister has finished we will have

to proceed in a very irregular way according to the fact that the heads of agencies are free to come on this day or not. This is for questions to be directed to the Minister this afternoon.

Mr. PRITTIE: Mr. Chairman, before your proceed, I think the Committee should be informed that the Steering Committee met for a few minutes before this meeting, and decided on certain dates when certain agencies would appear. I think the Committee should know which agencies are appearing and we may defer some of those questions from today rather than try to deal with them all now.

Mr. BASFORD: Mr. Chairman, during your absence the steering committee met once and decided to have various agencies, and then we had a meeting here today. The present program which is somewhat tentative is a meeting Friday morning, June 9 at 9.30 a.m. with representatives from the Canada Council; Monday, June 13 at 3.30 p.m. for the Public Archives and National Library; 8.00 p.m. that night on the National Gallery; Friday, June 17 at 9.30 a.m., the National Arts Centre; Tuesday, June 21 at 3.30 and 8.00 p.m. the Centennial Commission and such further time as may be required for the Centennial Commission and that, so far, is the tentative program of the sittings.

The CHAIRMAN: One minute, please.

Mr. MACDONALD (*Prince*): I just wanted to clarify one thing. Is the Minister to be here just this afternoon, Mr. Chairman? If so, I think we should try and keep our questions to a more or less general nature in discussing policy related questions rather than detailed questions.

Miss LAMARSH: Well, I will be glad to come, Mr. Chairman, whenever I am requested to. The difficulty is, Mr. Chairman, and I hope you will forgive me using the phrase, that the Secretary of State's Department is not a department like the others. Other departments are a pyramid; it is an easy line of responsibility with one or two Deputy Ministers; the departmental responsibility goes down from there. But the Secretary of State's department is a kind of new venture and while I have at the moment two deputies, the Registrar General on one side, and the Undersecretary of State on the other; their responsibility, as is mine, and their freedom of action, is really quite limited since each of the agencies stands alone and most of them have boards to manage and direct them. So that the kind of question that Mr. Asselin asked me is one that I will not in all cases be able to answer. As a matter of fact, in most cases not, because the actual management, such as health and welfare, I would know about, and would have been called upon to help decide, has been decided in the commission or board or agency, and unless there has been some special reason to bring it to my notice, I may not know about it. For instance, with regard to the centennial buildings, the provincial buildings that is the major provincial buildings where $2.5 million has been granted by the federal government to the province, in many cases they are not completed. Some have barely begun the digging out of the site, particularly in Ontario. As was announced in the budget the government, in an attempt to extend the completion period and take some pressure off the construction industry, is not going to require what had been required before, that these buildings be constructed before centennial year. We would like them to be constructed. Our responsibility is that we would like them to be all ready

for use by that time, but just as in the National Arts Centre this is not possible in some cases.

This is not at the moment true of individual municipalities, and there has been a very wide ranging divergence in thought and planning in municipalities. Some of them started three or four years alo; some have just now awakened to the fact that next year is Canada's hundredth birthday. Obviously a cut-off date had to be given which was May 15. This date was decided on by the National Centennial Committee, and it may be that the date will be extended. I do not know. It is their decision and their recommendation. I do not mean to say by this that the government cannot overrule it and say we will make these grants beyond a certain period, but these are the recommendations made to the government.

I had hoped that there would be no municipality of any size in this country that would not have a Centennial project of lasting significance. There will be some obviously because there are more than 1,900 odd municipalities in the country. I think one of the glaring examples which we all can see as members of Parliament is the city of Hull which as yet has no Centennial project, and which is very anxious to do this, and I think as a part of at least the area of the national capital, we all would like to see something there. So I might respectfully suggest to the hon. member to put this to a representative of the Centennial Commission when it appears here to make his representations to them, where it will be discussed by a board of which I, as Minister, am not a member, and from whom I will have a series of recommendations.

Mr. PRITTIE: Is there a representative of the Centennial Commission here today? I just want to suggest that if there is—

Miss LAMARSH: Yes there is.

Mr. PRITTIE:—and he has heard Mr. Asselin's point, I would be glad if he would communicate it to them.

Mr. BASFORD: Mr. Chairman, in further answer to Mr. MacDonald's question, when the steering committee met last week it was the feeling that before we proceeded with the specific agencies and a specific examination of them the Minister might wish to make a general statement, in that her first statement on item 1 consisted of a very limited aspect of broadcasting, and that is the reason that this meeting has been arranged.

Mr. MACDONALD (*Prince*): Mr. Chairman, I just wondered in how much detail Miss LaMarsh was prepared to answer the questions, and how much detail we should discuss with her specifically and then later on, as we go through this in greater detail with the representatives of the various commissions or bodies.

Miss LAMARSH: Well, I might at my peril perhaps try to give the Committee an example. There is present the financial officer and the secretary of the Centennial Commission but not the commissioner or the associate commissioner. Some policy decisions are made at that level and some further up. Let us take for a moment, the National Gallery, on the question of an acquisition of a rather bigger amount than has been contemplated before this. The estimates call for $500,000 a year. That is fixed; it is there, and it is as a result of the

director and her staff who will make recommendations to the National Gallery Board and, as a result of this, it will come to Mr. Steele, the Under Secretary of State who will arrive at a figure that we decide to ask for each year for acquisitions. For something completely different, as for instance, the da Vinci, it would be a matter for the government to decide whether this kind of money would be set aside for this purpose. Obviously the government would not do this without consulting the director and the Board, and to forestall trouble for Dr. Boggs, I should like to say that I have never formally asked the Director or the Board to consider the matter yet anyway. So that things which are beyond the ordinary or things which are policy are decided at the level of the Secretary of State and the Under Secretary of State, with cabinet and government approval, but the day to day operation, indeed more than the day to day operation, the living heart of the agencies is that of the Director or commissioner or chairman and his staff. I do not personally have all detailed information any more than I do about who decides the budget for "7 Days". I do not know that.

An hon. MEMBER: You have a pretty good idea.

Miss LAMARSH: I have a better idea now than I ever had before; at least I am grateful to the Committee for having had an opportunity to go into it. It will have to be, I would think, Mr. Chairman, the technical people, the specialists in the field who could answer these detailed questions.

The CHAIRMAN: Is the committee clear on procedure now?

Mr. LANGLOIS (*Mégantic*): There is just one thing I wanted to bring up, Mr. Chairman. Mr. Basford suggested an agenda a few minutes ago and I was wondering if we were going to accept it as he presented it and if we could have a copy of that.

● (4:30 p.m.)

The CHAIRMAN: This was meant to be a recommendation of the steering committee to the larger committee. It just came up because—

Mr. BASFORD: This is still tentative because many of these agencies have not been contacted and the availibility of their directors or chairmen, as the case may be, has not been determined. The only firm date is the Canada Council on this Friday.

Miss LAMARSH: I might say, Mr. Chairman, the directors I see here today are Mr. Carson, the Chairman of the Civil Service Commission, Dr. Boggs, the Director of the National Gallery, Mr. Miquelon, the Deputy Registrar General who is only watching, he says, and the Under Secretary of State who is watching too; and the others are not the tops of the agencies. I do not know whether either Mr. Carson or Dr. Boggs is in a position to start appearing before the Committee today. They might be, I do not know. I know that many people are anxious to meet Dr. Boggs, and while Mr. Carson is not as pretty, he is very bright, and very charming.

Mr. SHERMAN: Might I ask Mr. Basford, Mr. Chairman, if some of these agencies have not yet been contacted and therefore the date on the agenda has not been firmed up, will the steering committee receive submissions from other

members of the Committee with a view to changing some of the dates that you have suggested. Are these dates fixed in the steering committee's mind?

Mr. BASFORD: Mr. Sherman may recall at the conclusion of the last meeting of the Committee which sat late, and possibly Mr. Sherman had to leave, I forget, I announced that the steering committee would arrange subsequent meetings of the Committee, but that the organization of the meetings was somewhat difficult because it consisted of co-ordinating the Committee itself, the agencies that would be available, and when they would be available, and also working with the co-ordinator of committees to get an appropriate time to meet. The last of those points has proved to be the greatest difficulty. Mr. Sherman will appreciate that there are a great many committees meeting and in fact, meetings on Tuesdays and Thursdays are completely out of the question at the moment. This Committee cannot physically meet on a Tuesday or a Thursday because of the demands on members to meet with other committees and because of the demands on the facilities of this building and of the translation department and the recording department. Therefore, we have had to arrange meetings at times other than Tuesdays and Thursdays. That has been our problem. I also announced when we met last that if people had ideas on what agencies they wanted to hear, and in what order they wanted to hear them, they should make representations to their representative on the steering committee. I would suggest, therefore, that Mr. Sherman talk to the person on his right.

Mr. MACDONALD (*Prince*): Mr. Chairman, just while we are discussing this matter of procedure, there is this paramount concern that is with me, and since I am speaking as a backbench member of the Broadcasting Committee, we were agreed last Thursday that the steering committee would begin work on a draft of the interim report of our Committee with regard to our inquiry or what have you on "7 Days". Has this been done? Is it moving along at a good pace because we only have about two weeks, I believe, in which to complete what I consider to be a very important document?

Mr. BASFORD: Mr. Chairman, as the Committee knows the Chairman has been in Peru; I envy him for it, and I felt that as Vice-Chairman I was not in a position to convene the steering committee for purposes of writing a report, the importance of which Mr. MacDonald brings to mind. I am sure now that we have our Chairman back with us we will be proceeding post-haste with the preparation of this report.

Mr. PRITTIE: Mr. Chairman, in any case the seventh day is the deadline for receiving further written submissions from any interested parties on the "Seven Days" dispute?

Mr. FAIRWEATHER: And we set the meeting of the Board of Directors of the C.B.C. on the 27th as the deadline for our interim report so we have two weeks.

Mr. BASFORD: I have a question I would like to direct to the Secretary of State if that is the point of meeting we have reached.

(*Translation*)

Mr. ALLARD: At the last meeting I asked that the Chairman of the B.B.G. be called. That was a proposal that may perhaps be taken into consideration by the steering committee. Was a decision taken on this?

(*English*)

The CHAIRMAN: Was there a decision taken?

Mr. BASFORD: These were matters still pending before the Steering Committee.

The CHAIRMAN: I think the Committee wishes its questions directed to the Minister in the order that the various branches appear here in the estimates. Shall I take that for granted?

(*Translation*)

Mr. ASSELIN: On a point of Order, Mr. Chairman, since I raised an urgent question, I do not mind following the decision of this Committee, but since I raised an urgent question in respect of the consideration of the Minister's estimates. Could the Minister confirm that she will transmit my request immediately to the Centennial Commission authorities so that when we will get to this item, she will be ready to answer and that they would be ready to answer.

(*English*)

Miss LAMARSH: Mr. Chairman, I will have to check to see if we do that at present.

Mr. FAIRWEATHER: Since I have been called, I am interested in the university grants item, 23 S on page 430.

The CHAIRMAN: Well, I should ask if other members are interested in other divisions that appear higher on the list.

Mr. MACDONALD (*Prince*): Well, my question is not on the list in the sense that it arises out of Miss LaMarsh's own comments. Is this fair game? Could we ask her to elaborate a bit on one of her own comments in her remarks? It dealt with the expansion of the National Film Board. I do not know whether you want me to wait until we get to it.

The CHAIRMAN: Yes. It would come later, I think.

Mr. BASFORD: Mine is on the university grants in the centennial committee.

Mr. MACQUARRIE: If no one has a question under item 1, I will field a small one, Mr. Chairman. I am interested in the grant to the Fathers of Confederation Memorial Trust, particularly in its reduction. Does this follow a discussion with that body as to any lessening of need? Am I right in assuming that this is maintenance, then?

Miss LAMARSH: The Under Secretary of State, Mr. Chairman, informs me that this resulted from a review by the department of the financial position of the Centre, and for that reason the reduction was made and that presently under consideration there is a new submission by the Centre with respect to their operating needs.

Mr. MACQUARRIE: I doubt whether they are suggesting a further reduction.

Miss LAMARSH: Lately it does not seem that anyone is having a reduction in any regard. This has been an enormously successful Centre, as I am sure everyone is prepared to acknowledge. It has a tremendous influence on the life

of the Island and really most probably on the children who crowd the art classes and have a new dimension in life as the result of the construction of the Centre.

Mr. MACQUARRIE: It even helps our mature young people, too.

Miss LAMARSH: I think every young person in Prince Edward Island is increasingly matured of late.

Mr. MACQUARRIE: Very good.

Mr. STANBURY: Having visited this centre with my family last summer I must say that I am very enthusiastic about it and about what it is doing, but at the same time I was disappointed and distressed as a Canadian to find that the area as a whole, all of which I presume does not come under this trust, was in the state of most disreputable maintenance.

Miss LAMARSH: In the city of Charlottetown?

Mr. STANBURY: I do not mean the city itself but the provincial building which houses the Confederation Room where the Fathers of Confederation met appeared to be in a most unsatisfactory state. I wonder whether there is anything the government of Canada can do to co-operate with the government of Prince Edward Island, whichever government it might be, to ensure that this site which should be something in the nature of a national shrine is treated with the respect and attention it deserves. There seemed to be no provision for any sort of guard, certainly there was no appearance of any Royal Canadian Mounted Police, for instance, which might be quite a decoration for such an historic site. I wonder whether some arrangements might be entered into with the government of Prince Edward Island to ensure that the whole area is maintained in a way which is in keeping with the national interest.

My hon. friend shows me an item from the Charlottetown newspaper which indicates that there is going to be some landscaping done there. I welcome that, but I think the whole atmosphere surrounding this very lovely new building is not one in keeping with our national pride. While it does not fall entirely within the purview of the Secretary of State I think she has become something in the nature of a protector of our national heritage under this new department. I wonder if she could take this under consideration.

Miss LAMARSH: This is the provincial legislative buildings?

Mr. STANBURY: Yes.

Miss LAMARSH: It has some obvious difficulties, of course, which might be reflected tenfold, but I understand that the Confederation Chambers are of particular concern and this might well be a matter of concern. Perhaps when we are able to ascertain what is the government of Prince Edward Island, it might be well worth considering, because certainly the Island is itself a little jewel and even if sometimes it has political aberrations, it has without any doubt some of the best of Canadians in it who have contributed in an unique way to the establishment of Canadian Confederation.

Mr. STANBURY: It was a bit of a shock to find in the heart of such a neat Island a rather disappointing site of the confederation chamber, and one which was not apparently given much attention, or it did not appear to be given much

attention, by those in charge of it. I wonder whether there could not be some more national appreciation of the site, particularly—

Miss LAMARSH: They are going to put a parkway right up in there I think.

Mr. STANBURY: —with a proper guard for the site and perhaps some recognition of the fact that there are many thousands of tourists coming to it, not as the provincial buildings of Prince Edward Island, but as a national historic site, and as I say something of a national shrine.

Miss LAMARSH: It might be a very useful thing to declare it a national historic site. In this case I would refer Mr. Stanbury to my seatmate, the Minister of Northern Affairs.

Mr. MACDONALD (*Prince*): Well, Mr. Chairman, my understanding is that the provincial building is now a part of the Fathers of Confederation Memorial Trust, and in that light they would have some responsibility for making the building more of a shrine, in keeping with the whole national history of the place, but I would like to come to the defence of those who have already worked over the last two or three years to do something with the building. I say, in the first instance, that one of the perhaps typical island things about it was that it was so accessible and it was such a natural part of the atmosphere of Prince Edward Island, which I think is a good quality; perhaps it was almost a little too accessible at times and maybe we did not quite realize how valuable it was and that it is the only chamber now left in existence that reflects the influence of that era.

There has been a good deal that has taken place in the building. I am not sure just when Mr. Stanbury visited it but I know that they have made considerable improvements and attempts to restore the chamber itself to its original condition to reflect the atmosphere of 1864. I know too that a number of other rooms related to it have been redecorated and that—I think I am right in this—much has been done at the instigation of local people. It would be hoped I think that if future improvements are to be made, if decorations, as you call them, in the persons of RCMP are to be put there, certainly there will need to be federal assistance in this regard. I do not think it should be painted quite as black and white as Mr. Stanbury has done to the Committee. I have been in and out of that chamber since I was knee high to a grasshopper and I think I can say safely that there has been a good deal of improvement take place, and a good deal of sense of recapture of some of that era.

Mr. FAIRWEATHER: He is comparing it with Toronto's new City Hall.

Mr. MACQUARRIE: If I might say a further word, Mr. Chairman, in fact that much of the problem that I believe Mr. Stanbury was distressed about stems from the fact that the contractors and all concerned did a magnificent job in finishing the building on schedule, and such things as landscaping were left to the end and indeed some of the grounds of the existing provincial buildings were used to show our rather ugly construction equipment, but that is much improved.

Miss LAMARSH: If I may make a personal remark, Mr. Chairman, I think the chamber itself is in beautiful condition. I have always been impressed on entering the legislative buildings with the wearing of the steps, the sense of

history in them of the thousands and thousands of people who have come and gone just as legislators have done.

I do not know what the provincial government would think about the matter of restoring its own legislature but I would think, apart from the chamber itself, the federal government might be on very treacherous ground in encroaching on the province so far as actually housing the provincial legislature is concerned.

Mr. STANBURY: Mr. Chairman, I only raised it because of not having grown up with this in my backyard, as two of the Members have, it was a bit of a shock to me, and particularly in contrast to what we see when we hear that places of similar importance, for instance, in the United States. I just felt that it was something, particularly as we approach our centennial, that we should be taking a particular interest in. I am quite willing as a federal member to accept the fact that there should be some responsibility financially on the part of the federal government to assist in any dressing up of this building.

Miss LAMARSH: I would be very happy to look into what Mr. MacDonald has said about the Trust now handling the legislative building as well. My Under Secretary informs me that we do not know of this; the terms of the Trust now are not within our knowledge, but we would be very happy to look into the situation.

Mr. SHERMAN: If I might just make a personal observation, Mr. Chairman, I think Mr. Stanbury is to be commended for the broad national view that he takes in this subject.

Miss LAMARSH: Typical of Toronto, I think.

Mr. SHERMAN: No; I was going to say, Miss LaMarsh, that it is certainly a welcome change, reflecting an entirely new attitude, getting away from the old parochial approach that has sometimes been expressed by members from the part of the country that he represents.

Miss LAMARSH: Mr. Sherman, nobody from Toronto has talked in a parochial way for so long; they are citizens of Canada now.

Mr. MACQUARRIE: Mr. Chairman, I find myself, interested in one of the remarks of the Minister, about political abberations, and ask her where else could you produce a minority government with only two parties?

Miss LAMARSH: I would hope that none of the other provinces will try to produce a minority government with just two parties, even with four of six—

The CHAIRMAN: Does item 1 carry?

Item agreed to.

5. Corporations Branch, $197,500.

Miss LAMARSH: This is the matter which is about to be, and in fact is largely handled by the President of the Privy Council with the Registrar General of Canada responsible.

Mr. BASFORD: With reference to the estimates, whose estimates will they come under?

Miss LAMARSH: They are within my estimates in the House, and I would think before this Committee. If the Committee wants to deal with it, Mr. Favreau would be the one to question.

Mr. BASFORD: Is this Committee expected to report on these estimates?

Miss LAMARSH: This Committee? Yes, all of them.

Mr. BASFORD: On number five.

Miss LAMARSH: Yes.

The CHAIRMAN: Do you want to leave this open?

Mr. BASFORD: I think you should stand it. Mr. Chairman.

Item stands.

The CHAIRMAN: Item 10?

10. Translation Bureau, $2,998,600.

Mr. LANGLOIS: I would like to have a clarification on the translation bureau. I would like to ask the Minister the extent of the translation bureau. What does it cover, in fact? Does it cover all the government facilities and translation? Would the Minister care to comment on that? I know she mentioned in her opening statement something about translation, I let it go by because I thought I could return to it under this item.

Miss LAMARSH: Mr. Chairman, the Translation Bureau is the translation bureau of the government, for all of the departments, the crown agencies, with some exceptions, royal commissions, papers for returns; all these matters are translated here. In the departments, in most cases, there is translator or perhaps two who do things like minister's speeches and matters of that kind: in some cases, longer documentation, but by and large this covers both in and out of the House of Commons, and the Senate all the translators.

Mr. LANGLOIS: Is there a close relation between that and the civil service, or is there any relation between the two?

Miss LAMARSH: They both report to the Secretary of State. They are civil servants.

Mr. LANGLOIS: Does the employment of people working in the translation bureau have to go through the civil service or is that quite different?

Miss LAMARSH: Yes. They are civil servants.

Mr. LANGLOIS: Does this translation bureau just do oral translation, or for example, does the CBC come under it too, and the BBG, or anybody that works within these corporations.

Miss LAMARSH: The CBC has its own.

Mr. LANGLOIS: The CBC has its own.

Miss LAMARSH: This is both oral and written, *Hansard*, the Committee hearings, royal inquiries, anything.

Mr. LANGLOIS: It does the hiring for any departments that need such translators.

Miss LAMARSH: It does the work, the civil recruits.

Mr. LANGLOIS: Recruits the people?

Miss LAMARSH: For this department.

Mr. LANGLOIS: At the moment is there difficulty in obtaining recruits?

Miss LAMARSH: All of the positions are not filled, but because of the higher wages, and a vigorous recruiting program we have filled all of last year's requirements. We have added more new positions but they are not yet all filled.

Mr. LANGLOIS: I go back to the CBC because I have a specific case in mind. Suppose they did not need help at CBC and a person had made an application for a position but was not referred to any other department when possibly he should have been. I think I spoke to the Minister about it last September. This chap is still waiting for an answer. Possibly he could have been sent some place else because, with his qualifications he might have been able to find something to suit him. Actually, as far as being in the translation field is concerned you have to speak the two languages. I was wondering how they could co-ordinate a thing like that and whether they could make it a policy, when they do not need somebody for example in the CBC, to recommend that the person be sent somewhere else. This particular fellow had had experience in radio broadcasting in French and English for ten years. He was good for something on that sort of translation if he was not good for written translation. He was good on oral parts and he is still waiting for an answer and that dates back to September some time. In this regard the Minister tells me there is a lack of translators or there are some positions still open and he has not heard anything about them.

Miss LAMARSH: I am informed that when someone applies, for instance, for a CBC translation job, if turned down and not accepted for it, or if having been accepted no work was available at the moment, they simply sit there and wait until there was work available. If they had been turned down, I think not necessarily would the Civil Service inform them that there might be other fliers out for other jobs. The commission would certainly want to hear from anyone who was interested in doing this sort of work, and who was competent.

Mr. LANGLOIS: I might clarify this. I think the man had had experience in radio broadcasting so he actually applied for a radio broadcasting job but his qualifications were stated, and the man was possibly as bilingual as you will meet anywhere. In this event I think he told the CBC that he was waiting for the job; he had a family and he has been waiting since September and they should have guided him along to another department such as this translation bureau which probably could have benefited from his services, and it would have been an advantage to both parties in question. This is one example I have but there might be more, and I was wondering if there was not some place that we could refer him to, or if the other departments could be told at that time, if you do not have an opening refer him to some place else.

Miss LAMARSH: I am informed there are lots of differences in the kind of bilingualism there is. The hon. member, Mr. Chairman, is a very bilingual person as indeed the Chairman is; perhaps not so in writing; perhaps not so in

translating from French to English or English to French which are quite different skills. There are some cases that require people with a specialized knowledge of technical language in one or the other languages. It is not everyone who has sufficient skills to be employed by the Translation bureau. I know from time to time when there has been a shortage of people and there has appeared to be a bottleneck, I had people say to me take bilingual students from universities and what not. In discussing this with the chief of the Translation bureau, we found that these people just cannot cope with it, because they make what we might call a rough translation and then when this is put before the checker, it is not perfect English or perfect French, as ought to emanate from the federal government of Canada.

In fact a lot of money is wasted by hiring people who would just do rough work; a lot of time is wasted because maybe we will send out ten pages at a time to half a dozen different people and the work has to be virtually all redone. It wastes money, too. We have, as you know, a Montreal translation branch, which is also responsible through here because there are a number of very competent translators who did not want to move to Ottawa, so we set up a branch there and we send material to them. In the two places we try to get people who are very, very competent, and as might be appreciated, there is a tremendous demand all over the country for people like this.

Mr. LANGLOIS: I quite agree with the Minister on that, Mr. Chairman. This is why I asked this question. To go into translation you have to be practically perfect on the job that you have to do. There are some of these people that have these qualifications, at least mastering to some extent both languages, and they also have experience in another branch. This particular fellow had experience in radio broadcasting, but possibly some other people that do not come up to the requirements of the translation bureau, the qualifications necessary in the languages involved, possibly could fit into another department which would need the services of such a person. I think as time goes by the need for more and more people that have both languages will become greater.

Miss LAMARSH: I hope not only the Translation Bureau, but perhaps some time we will reach the point where every Canadian is himself his own translator.

Mr. LANGLOIS: But within the whole civil service structure, I think the need will become greater and greater and I was trying to find out how this difficulty could be overcome. I myself have had a lot of people come to me with a certain background and certain experience in one field. I know they have both languages; they have mastered them to a certain extent, not enough to be translators; but they could be an advantage to the civil service somewhere and I was wondering how you could direct these people.

Miss LAMARSH: Mr. Chairman, this is an increasingly important problem and might I suggest that the hon. member put this to Mr. Carson when he appears for the Civil Service before this Committee. They are doing a considerable amount of work on the question of bilingualism and the provision of such facilities and I am sure will be able to satisfy the hon. member.

Mr. BASFORD: Mr. Chairman, are services of the translation bureau available to members of Parliament.

Miss LAMARSH: No, Mr. Chairman. They are always very hard pressed for royal commission reports; it takes weeks to have these matters translated. If we made this available to members of Parliament on a sort of first come, first served basis, I am afraid we would have an even more impossible delay which already members of the House are complaining about in the matter of translation. I understand some go to the law branch, some people hire some of these cute little French Canadian secretaries.

Mr. BASFORD: That suggestion is an appealing one, but I wonder if the Minister would give some thought to the first suggestion.

Miss LAMARSH: It is a real difficulty. There is a terrific shortage of people.

Mr. BASFORD: I asked the question because I have four French speaking constituents who write to me and I would like to reply to them in perfect French.

Mr. LANGLOIS: Is the government thinking, for the benefit of the House, about setting up a small translation committee like that?

Miss LAMARSH: We are hopeful of the fact that all members will become bilingual.

Mr. LANGLOIS: Well this is a good thing possibly, but even so, I think it would be an advantage to the House—

Miss LAMARSH: I do not think Mr. Basford would come in there.

Mr. LANGLOIS: It might be an advantage to the House in that respect because I have some letters presently that I have received from different cabinet ministers even, and I have to translate them, either myself or send them back and ask for them in French because the people I am sending them out to are French people, and the letter came back in English. The letter I received was in English. I know that I have had other members come to my office to get their letters translated, and I do it willingly but if we had possibly some small staff for the members of Parliament—it might come under the Speaker's jurisdiction, I would not know—it would certainly be an advantage to the House.

Miss LAMARSH: But the translators in the House are under the Secretary of State.

Mr. LANGLOIS: Well, that would probably come under your department too, I gather.

Miss LAMARSH: The difficulty is, as I say, the matter of priorities and there are just not enough qualified people in this field. They are very hard to find.

Mr. LANGLOIS: Could the Minister not recommend?

Miss LAMARSH: This is the difficulty. I have had a number recommended to me, but some of these people are not qualified. The fellow may appear to interpret very well, but that is not translation. Of course, the emanation of a government which has two official languages should be perfect in both languages. It should not even appear to be translation of one another, and this takes very highly skilled people. There are not very many of them. Accordingly, the hope is that members who I know always wish to increase

their skill, will themselves become bilingual for the obvious purpose of being able to communicate with their own constituents.

Mr. LANGLOIS: But even so, Mr. Chairman, especially in the field of politics where a sentence can have a different meaning, you just cannot translate one sentence from one language to another word for word because it can have an entirely different meaning. Sometimes you have to have the whole paragraph to grasp the meaning as well when you start translating from French to English or English to French. This is where the Minister mentioned a while ago when the Members would be bilingual, but in the meantime, it takes an awful lot of practice to get to that point. This is where a highly skilled translation bureau for the House would be very efficient and very well accepted, I think. It is mostly always the same thing, political issues; there are no technical terms in it. I have already had to translate an engineer's plan for a school into French, and I must say that that gave me difficulty because there are some technical terms in English that do not exist in French and vice versa. We are not talking about that. This is a point of straight translating, keeping the sense of the sentence or the meaning of the letter or whatever it is. I think before we attain that for each member of the House, we are going to have to wait a long time, so it would probably be a very good thing if we could start setting up this committee or this translation bureau, build it up over the years, so that it would be efficient and large enough to fulfil the demands of the future years.

Miss LAMARSH: Mr. Chairman, I would be glad to look into the possibility of it. I cannot say that we would take someone who was less proficient to answer the members' mail. Members would not want to send out mail with errors in translation. It might be that the party caucuses would like to hire someone who would do that kind of thing. As a private member I think I had a Mrs. Bourget who was a highly bilingual secretary and she used to help me with the translation. Not everyone is all that lucky.

Mr. STAFFORD: Where is the Translation Bureau located?

Miss LAMARSH: Physically?

Mr. STAFFORD: Yes. How far from the House?

Miss LAMARSH: Mainly on the eleventh floor of the Canadian building on Laurier Avenue, but the translators in the department also belong to it and they are located close to their work, usually with an office in the department to which they are assigned.

Mr. STAFFORD: What percentage of the total work of the translation bureau would be done for the House of Commons, including the committees?

Miss LAMARSH: Mr. Henry Mayer, the director, might be able to answer this kind of question better than I. I suppose that would vary from year to year, depending on how long the House sits and how active the committees are, and how many royal commissions are reporting. I really do not know.

Mr. STAFFORD: Because of the steady flow of work from the House of Commons, has it ever been suggested that it might be more effective that the House have its own translation bureau?

Miss LAMARSH: I think it has, yes.

Mr. STAFFORD: Would not the work of the committees be more up to date and the translation done faster and the work done quicker if we had this bureau?

Miss LAMARSH: The interpreters and translators, the people who are doing this kind of committee work, are generally located in and about the House of Commons. They do not come up from the Canadian building. They are like the departmental people. They are on the spot. I think the translation service started in the House of Commons, and it has spread from there and is now more centralized because it spreads into each department.

Item agreed to.

NATIONAL MUSEUM OF CANADA

15. Administration, operation and maintenance, $2,240,000.

Mr. HYMMEN: Mr. Chairman, I would like to ask the Minister a question which has to do with the increase in the staff of the National Museum. I ask this question because as she has already mentioned, I know, that both she and we would like to see these new buildings but the new buildings I believe are a little bit away. I was just wondering if there was some general explanation of the increase in personnel in the interim period.

Miss LAMARSH: It is from two points, I think, the staff for research and the staff for display. We cannot wait until we have a new building to augment and upgrade the staff we have in the Museum. People are highly skilled and when they become available we try to get hold of them, whether we have a building or not. And one of the real difficulties in holding on to them is the absence of a building. It should be the other way around.

The CHAIRMAN: Are there any other questions?

Item 15 carried?

Mr. BASFORD: Mr. Chairman, the agencies are going to come before us, I do not think we can carry the estimate until the director comes before us. We presumably are going to have the director of the National Museum here, so I think the item should stand until he appears.

Mr. LANGLOIS: Mr. Chairman, the same thing applies to item 10 that we have passed, I had the intention of coming back to it when the civil service people appear before the Committee. Why not carry it for the Minister today and if we have any other questions we can follow the same procedure when the other department people appear.

Mr. BASFORD: The item we passed is item 10, which is the translation bureau. The Civil Service Commission item has not been passed, and these are quite separate items.

Mr. LANGLOIS: The civil service would have the same item left.

The CHAIRMAN: No; let us just pass from one item to the other and we will see when the agencies are before us. I think there were members who expressed an intention to ask questions on university grants.

Mr. FAIRWEATHER: First of all, I want to thank the Minister. If I can editorialize it is a fine idea to have this area centralized under the aegis of the

Minister. It has been really just floating, because it has not had any anchor and I am glad it will be under the Secretary of State. I wonder what success the Minister has had with recruitment of a co-ordinator. We have all noted the ad in the newspapers recently. Has there been any success in obtaining this official?

Miss LAMARSH: Applications are still being received for this position. There has been a very good response but as yet they have not been screened. No one has been chosen.

Mr. FAIRWEATHER: I just happened to notice the date of closing. Of course, $28,220,000 is what—about one-tenth of the money that the government of Canada spends on various aids to education. Is that a fair estimate?

Miss LAMARSH: I am informed that that is about right.

Mr. FAIRWEATHER: Would it be the intention that when the co-ordinator is selected that all the various agencies of the government of Canada spending money on education would be co-ordinated?

Miss LAMARSH: They would be co-ordinated, Mr. Chairman, but not necessarily directly under the Secretary of State. This co-ordinator's responsibility will be not only university grants and perhaps students loans, or students' assistance directly, or per capita grants, or operating grants, things of this kind, but also the co-ordination in other departments of the assistance that is given to education.

Mr. FAIRWEATHER: Like Indian affairs, Eskimos, and so on; armed service personnel. I do not know whether this is a fair question, but if it is not we can forget it and I will ask it in another arena. Is active consideration being given to the capital recommendations of the Bladen Commission?

Miss LAMARSH: Yes, Mr. Chairman.

The CHAIRMAN: Item 35.

Mr. FAIRWEATHER: There were more questions about the university grants.

Mr. BASFORD: Mr. Fairweather, having a great mind, asked the questions I was thinking of asking.

Mr. STANBURY: Mr. Chairman, I am interested in this field too, and I am very gratified that we are going to have what amounts to a federal office of education. I am wondering when it is expected that this will actually be in operation. Does the acquisition of the co-ordinator initiate the office?

Miss LAMARSH: In a sense, in the last few months it has been in operation. The Under Secretary has been chairing an inter-departmental committee, and has been responsible for dealing with provincial governments and universities or teaching associations and what-not, so that the work is really under way under Mr. Steele. Because of his other responsibilities, of course, he is not going to be able to give full time to it as it grows and burgeons, and for that reason the co-ordinator who reports through him and the department itself will be coming in. It will be appreciated that in this re-structuring of the department of Secretary of State, all these agencies, some fourteen of them with their own heads, report up through the Under Secretary. There has not been any sort of

line operation but there are now to be line operations, fundamental operations as such directly under the Under Secretary in the fields of both education and citizenship. At the moment there are a few people, one of them is Mr. Hamel whom the House yesterday appointed as Chief Electoral Officer, and that is one less person we have working with us at the moment, but recruiting is going on as the program develops.

Mr. STANBURY: Is the Under Secretary now doing the kind of co-ordination you spoke of among the different departments in the field of education?

Miss LAMARSH: Yes. Up until now it has been largely the process of being an information centre and drawing together all these kinds of things.

Mr. STANBURY: The idea is that the co-ordinator will be a person particularly cognizant of educational problems and will have the responsibility of co-ordinating the educational functions not only which come under the direct authority of the Secretary of State, but those from other departments of government as well.

Miss LAMARSH: Yes, Mr. Chairman. As might be expected, most of the applicants have been people from the university field.

Mr. STANBURY: I was about to observe that this is a tremendous landmark which we have achieved almost unnoticed.

Mr. FAIRWEATHER: Is this deliberate? If the hon. member for York-Scarborough is right, I wonder why there is not any articulation of this?

Miss LAMARSH: Well, Mr. Chairman, I have mentioned it in several speeches, but Mr. Steele really is the reason I think why we are concerned in the Secretary of State department. He has been the chairman of this committee which is developing the government's response to the needs for assisting in the educational field. I would think that it is largely because the government organization bill has been ready to go through the House for such a long time. Until that actually happened we were not in a position to spend the money or to recruit or do very much in the Secretary of State's department, or launch ourselves more or less publicly in the field. Indeed, it is not a field I suppose that much publicity will be given to, except to those interested in the universities and in the higher education and research field.

Mr. TRUDEAU: Mr. Chairman, I was wondering if the reason why no more publicity was being given was that there was some constitutional difficulty. I wonder if I could ask the Minister whether much thought is being given in the department to the constitutional implications of some of these things.

Miss LAMARSH: A very great deal of thought because of the obvious difficulty of creating a co-ordinating department. In the past, governments have put a great deal of money into assistance to learning of one kind or another, and have used various euphemisms to cover the fact that it was really operating in a field that might be called "education". "Education" may be defined now, as it has been in practice as being the pre-university level. For this municipalities and provinces are entirely responsible under the BNA Act. Perhaps it will have been noticed that the government organization bill does not say "education"; it says "learning" and in French it says "la dissémination du

savoir". The word "education" does not appear anywhere because of the obvious instinctive response of the provinces that it would be an encroachment on their constitutional field. It is generally felt that highly educated people and research must be mobile and thus this is more than provincial responsibility; here the government only reflects the people's feelings; that provincial boundaries do not interfere with the interchange of educated people and the necessity of developing them on the widest possible basis. This is not the kind of education which the Fathers of Confederation intended to lay upon the intermediate level of government. After all "education" in their context was only an enlargement of the family responsibility. The matter has been treated with as much delicacy as possible and the Under Secretary has visited the provinces and discussed with the deputy ministers responsible, and in some cases, with the Ministers, their views, of their responsibilities and the federal government's responsibility. Indeed, a conference which we anticipate will take place next week will deal as much with philosophical discussions of the responsibilities of the various levels of government, as with formula to meet that responsibility.

Mr. TRUDEAU: Mr. Chairman, this is a very interesting theory and I suppose we will know whether it is right or wrong if it is ever tested by the courts. I am prepared to assume for the sake of argument that it is right and I can see the very great advantages which would be coming to Canada if the constitutional theory is right, but if we kill men, for the sake of argument, that it is right, can we assume that the federal government will not accept any opting out provisions or any fiscal equivalents provisions. If it is right constitutionally, surely it is right for all provinces. If it is wrong for some provinces it is wrong for all. Is there any thought being given in the department to this provision; to the consequences of the acceptability or not of this constitutional theory?

Miss LAMARSH: I would personally agree with Mr. Trudeau, Mr. Chairman. Most of the opting out, in the true sense of the word, has been on fairly firm agreement that it be permitted only for mature developed programs which are shared-cost programs. In some instances, there has been a failure to opt in, which is slightly different; but notwithstanding the secondary, by this I mean pre-university levels, differences in the systems of education throughout the country, there appears to be a necessary similarity in the university and graduate work, obviously because it is not just similar in various parts of Canada; it is similar in various parts of the world. One cannot say that for instance, research in the field of cancer, or teachers to assist in research, is a Quebec matter, an Alberta matter or an Ontario matter, these fields should really not know any national boundaries, much less provincial boundaries. There are many who argue that in these cases the constitutional position is such that, the federal government has no business at all being in them, although it has been in them for a long time. There has been no particular outcry about it, and many of those people who argue that notwithstanding the constitutional position which presently should not permit this kind of involvement, there ought to be an amendment to the constitution to permit it. Then there are others who I think wear the cloak of real purists who say every kind of "learning" falls within "education"; but I am sure the Committee does not want me to go into a long legalistic or philosophical discussion of what is learning or education.

In any event, policy which is developed by a government first must reflect the direction that government would hope to go and then almost invariably that policy will be tempered and modified in some way by the necessity of getting it passed and working. Most of the institutions of higher education are already so framed as to have a very close liaison—perhaps to many people too close a liaison—with provincial governments as such. It is obviously necessary to make this a co-operative field. So politicians will always be artists of the possible; compromises, which in theory might be insupportable, may have to take place.

Mr. TRUDEAU: Well, Mr. Chairman, I agree with the Minister that it is important to compromise on what is possible but surely the constitution is there, and it must be obeyed. If there is any fundamental law in Canada, it is that, and if any other laws are to be obeyed by the citizens, surely the government must begin by obeying the constitution. Apparently there is some uncertainty in Canada on what the constitution says on this, but it would be nice if the members of the Committee knew what the government's thought was on this, and if they are interpreting the constitution in such a way that they think that the constitution says one thing for nine provinces and another for another. In other words, if the government is thinking of going further along the lines of opting out in fiscal doings and so on, it would be helpful, not only to this Committee, but to the citizens if the government were to state some of its constitutional theories. Then I think perhaps that is part of the answer which might be given to the members, when Mr. Fairclough says why is there not more—sorry I could not remember your name—

Miss LAMARSH: Well, the conference which had been anticipated for next week might have resolved some of these difficulties. I do not think the government in the past, in this field or others, has indicated that they think there is one constitution for nine provinces and another for the tenth.

Mr. TRUDEAU: It does, or does not?

Miss LAMARSH: I do not think it has indicated any such thing. I think that wherever there has been an opting out privilege it has been available to ten provinces, although all might not decide to accept it.

Mr. TRUDEAU: Mr. Chairman, I do not think I would want to argue that here.

Miss LAMARSH: In any event, Mr. Chairman, this particular item in these estimates is very out of date because the $2 per capita university grant will have to have a supplementary estimate to bring it to the $5 already announced. It will either be in supplementary estimates or next year's, the next stage of the learning program—"la dissémination du savoir" program. Is this a good translation, by the way?

The CHAIRMAN: Dissémination du savoir?

Miss LAMARSH: Yes, of learning.

The CHAIRMAN: Excellent.

Miss LAMARSH: They carry the right meaning.

The CHAIRMAN: We have a job of translation here.

Are there any other questions on this item? Centennial Commission then, 35.

35. General administration, including the National conference on the centennial of confederation, $3,278,000.

Mr. SHERMAN: Mr. Minister I would appreciate some elaboration and education on items 35 and 40, in so far as they refer specifically to the national conference on the centennial of confederation. I note that under vote 35 the disbursements for the national conference on the centennial of confederation for the year just ended included the sum of $635,000 for informational publications, exhibits, displays and films. In those same areas the total expenditure in the current fiscal year will be around $800,000. Obviously I have been deprived of part of my education, but I am not very familiar with this national conference on the centennial of confederation, and where it differs from other programs and projects of national significance, it must differ because it is listed separately from those programs and projects covered under vote 40. Where has this money to publicize it and disseminate information on it gone, and where has that information gone? I have not encountered much of it myself, I would appreciate some illumination.

Miss LAMARSH: Vote 35, Mr. Chairman, is the general administration of the Centennial Commission which includes the National Conference. Vote 40 is the capital projects, other projects, the dollar per capita, which is granted by the federal and matched by the provincial government and at least matched by the municipalities. They are quite different. If I might deal for a moment with the per-capita program. Projects come up to the provinces, are approved at that level, come forward and are approved at the federal level and paid for from here; that is, the federal government pays a dollar, the province a dollar. I am sorry that is paid for from Vote 45. Vote 40, I am informed, but the present commissioner can give you more detailed information, has to do with such national projects as the Centennial Train and Caravans, and things of this kind. Vote 35 covers not only those who are employed by the Centennial Commission for the period up to and including Centennial year, their publications, their advertising and promotional material, but also the various board members' expenses. Board members are appointed to come every so often, I think it is every month or so—four times a year. There is in addition the National Conference which is to meet next on Sunday and Monday in Victoria, British Columbia, and it is to go on to the Yukon and the Northwest Territories from there. It has about 100 members, people appointed from all across the country.

In addition to this, there is a conference which does not have any prominent position under the Centennial which is a kind of dominion-provincial meeting of ministers and deputy ministers who are responsible in the provinces. The information publications, exhibits, displays and so on, cover a great many conferences which have been called and which the Centennial assists or pays the whole amount of, for promotional ideas, for engendering enthusiasm, for materials to assist individuals to go back into the community. Let me give the Committee one example of a one-day conference which was called for about six weeks ago, I think, at the Chateau Laurier, of representatives from all across Canada of communities and regions with a view to advancing the Centennial

program to paint up and clean up for Centennial year, a rural beautification program. In this program the federal government pays nothing toward the program but provides assistance and financial assistance towards this kind of conference, speakers and other aids.

The Centennial is increasing the number of people working for it now and it is increasing the amount of money it is spending, partly, of course, because of the initial expense—every year things cost more than they did the year before—but partly as well because much of the planning, relatively inexpensive, is over and the clothing of those plans with reality is now underway, and this is very expensive, as may be appreciated. The fruition of these plans will be, of course, the actual celebrations of Centennial year. Members have seen flags which are sent to each office, Centennial flags, Centennial pins, and promotional literature. They will be receiving within the next week or so one, two, three, or for sub lists showing the layout of Centennial projects and Centennial celebrations throughout the whole of next year across the whole country. The development of this program is really proceeding apace. We are still getting all kinds of ideas in for Centennial, but it is rather late to develop some of them. I can have it broken down for you. I know the secretary has this information. It might be that you would like to get this from Mr. Gauthier, the Associate Commissioner.

Mr. SHERMAN: Yes. A breakdown is not necessary at the moment. Thank you very much. I understand, in other words, that these are expenses which are related to and refer to the general dissemination of information about the centennial as a whole. We are not talking about a specific national conference on the centennial; we are talking about promotion of the whole centennial.

Miss LAMARSH: This body is called the national conference. There are 100 people and it has met twice a year and will meet too in the centennial year.

Mr. SHERMAN: Well that is fine. Thank you very much.

The CHAIRMAN: Other questions?

Mr. BASFORD: On Vote 45, I wish to ask a question about the so-called cultural grant of $2,500,000 to each province. I take they are in Vote 45.

Miss LAMARSH: Yes.

Mr. BASFORD: Well, then I would like to ask about the Youth Travel program, which I take it is in Vote 35.

Miss LAMARSH: Vote 40, the youth travel program.

Mr. BASFORD: Well, then I will ask something about Vote 35. For the next meeting, or when the commissioner is here, I would like a list of the members of the conference.

Miss LAMARSH: The National Conference?

Mr. BASFORD: Yes.

Miss LAMARSH: That can be supplied.

Mr. BASFORD: And the names of those who were candidates in the last federal election and copies of letters from any of them who offered to resign during the election campaign.

Miss LAMARSH: I know of one in British Columbia. I am sorry, that was a member of the Board of Directors, not of the Conference. One member from British Columbia, a woman, offered to resign.

Mr. BASFORD: Could you table in the Committee her letter of resignation?

Miss LAMARSH: Yes. I will be glad to do that.

Mr. BASFORD: The youth travel program comes under another vote, does it?

Miss LAMARSH: Vote 40.

The CHAIRMAN: If there are no questions on 35 you can go to 40 with your next question.

40. Programs and projects of national significance including grants towards such programs and projects, $9,519,500.

Mr. BASFORD: With regard to the youth travel program which I think is an excellent one, and every young person I have talked to who has participated in it thought it was very worth while, I am wondering whether any long term planning has been started, or any long term thought has been given to carrying such a program on beyond the centennial?

Miss LAMARSH: Yes. This was a very successful program. I think something like 40,000 young people, it is anticipated, by next year will be travelling around the country. If we are going to have responsibilities for citizenship, we feel that this is probably one of the most worth-while things we have done to foster a real commitment of citizenship and in that branch of the department we are extremely interested in seeing it carried on.

Mr. BASFORD: What is the cost of this program? I do not see it in the breakdown here.

Miss LAMARSH: Of the present item, $500,000 for the purely federal program and $353,000 for the federal-provincial, No. I am sorry, $500,000 for the federal-provincial and $353,000 for the voluntary agencies.

Mr. BASFORD: Has the thinking matured sufficiently; how would that program be carried on after the centennial?

Miss LAMARSH: It is no particular problem to carry on as far as the volunteer part of it is concerned, and we find considerable enthusiasm with the provinces as well for carrying it on beyond Centennial year. It might very well be—I cannot tell you at this time—Mr. Chairman, simply an extension beyond '67 of what we are currently doing.

Mr. BASFORD: It involves maintaining the centennial administration?

Miss LAMARSH: Not necessarily, because it would be absorbed in the Citizenship Branch. We cannot maintain the whole Centennial set-up until the next hundred year anniversary. A lot of people came to work on the Centennial on the basis of eighteen months or two years.

Mr. BASFORD: Yes. Well I asked the question because hoped it could be carried on under some other agency or aegis. Under which vote do the matching grants come for community projects?

Miss LAMARSH: Vote 45.

Mr. BASFORD: No. I have no other questions on item 40.

The CHAIRMAN: Are there questions on Vote 40? 45?

DEPARTMENT OF SECRETARY OF STATE

45. Centennial Commission—Payment to the Centennial of Confederation Fund to enable grants to be made to the Provinces for local projects of a lasting nature (the total of such grants made from the said Fund not to exceed $18,935,000) and to enable grants to be made to the Provinces for projects included in the Federal-Provincial Confederation Memorial Program $13,000,000.

Mr. BASFORD: I would like tabled for the next meeting the agreements between the centennial commission or the government of Canada whoever is the agreeing party, and the province of British Columbia, with regard to the administration of the matching grants program by which the centennial commission puts up one dollar and the provinces and municipalities put up two dollars.

Miss LAMARSH: Yes.

Mr. BASFORD: Could I also have tabled for each province how the two dollars matching grant is paid vis-à-vis the province and the municipality.

Miss LAMARSH: How it is paid?

Mr. BASFORD: Yes. In the case of British Columbia let me put it this way. It was certainly everyone's understanding I think that towards community projects under the centennial the federal government would put up one dollar and the provinces one dollar and the municipalities one dollar per capita for community centennial projects. But like so much that happens in British Columbia, the provincial government is only putting up sixty cents and the municipalities are being stuck for $1.40.

An hon. MEMBER: Poor province.

Mr. BASFORD: I would like a report on that division for each province.

Miss LAMARSH: I am informed that we will not have the details of the two dollars but I am told by Mr. Gauthier that it is possible that sixty cents can be put up. I did not happen to know that myself because the agreement is that the province will be responsible for finding two dollars for every dollar of federal contribution; and if they find this, partly or largely from the province, it is their responsibility and not ours. We are concerned only that we match their two dollars with our one dollar. But we will try to provide the agreement but I cannot—

Mr. BASFORD: I have a letter from the Centennial Commission outlining the situation in British Columbia, so I presume that the same letter could be produced for each province.

Miss LAMARSH: The same letter?

Mr. BASFORD: The same information contained in the letter.

Miss LAMARSH: You are asking for every municipality?

Mr. BASFORD: Every province. I want to know the policy in each province as to how the two dollars are being raised by the provinces. I would also like to know what effort is put into the $2,500,000 cultural grants that were granted for the building of some cultural building or enterprise; what effort is made by the centennial commission to show that these are buildings partly financed by grants from the federal centennial administration.

Miss LAMARSH: What effort is made by the federal Commission to show that the $2,500,000 federal tax dollars have been contributed to these buildings? Well in many cases whatever effort is made has not been very effective, at least in two provinces I can think of there has been little to indicate that the federal government has made a financial contribution.

Mr. BASFORD: Specifically I would like to know what effort has been made to show that the museum being built in Victoria, British Columbia, has $2,500,000 worth of federal money in it.

Miss LAMARSH: It will have to have a plaque on it when it is done.

Mr. BASFORD: I would like to know whether any member of the centennial administration or of the federal government was invited to the sod turning for that building, or the opening of the building.

Miss LAMARSH: Is that the one that was dedicated by the Queen Mother?

Mr. BASFORD: Yes.

Miss LAMARSH: We did not know about it until we saw it on television. I do not suppose any invitation had been received but I am not sure of that; not to the knowledge of the secretary.

Mr. BASFORD: Well, the centennial administration has taken note of the questions I would like to ask when the commissioner is before us. I have no further questions.

Mr. SHERMAN: One question I would like to raise while we are on the centennial commission. I understand that recently a report was made to the Centennial Commission on film making. I believe it was referred to as the Anderson Report.

Miss LAMARSH: Yes, on films.

Mr. SHERMAN: Is this report now available to members of the Committee?

Miss LAMARSH: It is a report made by consultants to the Centennial Commission. I do not know if it has been dealt with as yet by the Executive Board. I have not had recommendations on it, but I do know that a request was received and approved to publish it in a trade publication. I therefore think it is available to the public. I did OK the publication of it, but I am not sure that the publication is taking place now. I am told by the secretary of the Centennial Commission that as yet the executive council has not dealt with it, so it might be a little delayed in general dissemination but it is my expectation that it will be available to the public and to members shortly.

Mr. SHERMAN: From my knowledge of the report, I feel it is important that the report be tabled in this Committee as soon as possible because it has a great deal to say, I understand, with regard to future film making in this country, and as much as we expect to deal with this matter in the House, the matter of feature films, I would hope that we could have this information available to us so that we could deal effectively with the matter both in Committee and in the House.

Miss LAMARSH: I am informed that on Sunday next—it is not a bad day to do things—the subcommittee of the executive of the Centennial will be dealing with this in Victoria. Maybe in the next week we will be able to distribute it.

Mr. FAIRWEATHER: Well, then we would not have our say on the subject in the House until after that?

Miss LAMARSH: The report to the Centennial Commission is considerably wider than the bill regarding the feature film development.

Mr. MACDONALD (*Prince*): But it has a particular set-up with regard to the future of the industry?

Miss LAMARSH: Of the film industry in general, with the use of CBC and use of film board and private industry, yes. It does not deal, in my recollection, with the machinery for lending money or investing in films which is the purpose of the feature film bill.

Mr. HYMMEN: I have one question for clarification. This has to do with the $2,500,000 for each of, I believe, ten provinces. Are some of these projects being delayed like the one in the province of Ontario, because I cannot see $25 million here unless it is going to be brought in on a supplementary estimate?

Miss LAMARSH: Well, the money that is in the estimates depends on progress. I might give you a run down very quickly: Nova Scotia's building is the Sir Charles Tupper addition to the Medical Centre for Dalhousie University, and that is on the rails, I think shortly to be concluded. Prince Edward Island's is the Centre already constructed. New Brunswick's is an office building in Fredericton. It is finished. It is not open? Quebec's is a conservatory at Quebec city. The ground is dug and that is all so far. Newfoundland is in about the same position, and this is to be an arts centre in connection with the university, and it is expected that it will be completed for next year. Ontario's is the museum. The ground is dug. Manitoba's is a very imaginative arts centre where the ground is certainly dug and construction has started. Saskatchewan has two buildings, one in Saskatoon and one in Regina. The one in Regina I think has the steel up. They are stopped at the moment because the estimates are very much higher than anticipated; and the one in Saskatoon has the ground dug, I am not sure if is started beyond that. Alberta's is a museum in Edmonton, and it is under way, I am informed. In British Columbia it is the archives and museum in Victoria which the Queen Mother did something with. I think she put the foundation stone in, or something. The only one that is finished is in Fredericton.

The CHAIRMAN: Any more questions?

Mr. SHERMAN: I would just like to add my endorsement to what Mr. Basford said about the centennial student exchange program. I was at a seminar in Winnipeg last week where the subject came up and certainly I think wherever in Canada one goes, one encounters ringing endorsement of it and support for it nowadays. It is something on which I would like to add my congratulations to the commission and the government.

Miss LAMARSH: Well, I must say it is not my program, but I am as enthusiastic a supporter as others.

The CHAIRMAN: I thank the Minister—

Mr. BASFORD: I have a couple more questions on other items. We are not through yet.

Mr. STANBURY: Mr. Chairman, these estimates that we have before us are not all the estimates that come under the Secretary of State; that is why Mr. Basford was questioning the fact that we were through.

Mr. BASFORD: I have two small questions arising out of the National Gallery. I am wondering whether the Minister has made any analysis of the mail that she has received on the suggestion of the acquisition of the—

Miss LAMARSH: I can make the analysis very simple. It is hot one way or the other.

Mr. BASFORD: Have you a breakdown one way or the other?

Miss LAMARSH: My impression is—I have not formally made an analysis—is that it is about fifty-fifty. I might say that people I talk to are about ninety per cent in favour but from correspondence it is about fifty-fifty.

Mr. BASFORD: There is one other question which I ask you because of your former connection with the Department of Health and Welfare where you acquired a certain expertise in the matter of pensions. If the acquisition price of this painting was applied to pensions what size increase in pension would it mean to each person over 65?

Miss LAMARSH: I could break it down—

An hon. MEMBER: Forty-five cents.

Miss LAMARSH: I think there are a million old age pensioners so that would be $6 once for each of them, fifty cents a month. I think there are about a million and a half, 65 and over, and since the hon. member is younger than I am he can divide the one and a half into six—it will be $4.15. Fifty cents once a month for a year as opposed to something that might cost $6 million which would live for the ages.

Mr. MACDONALD (*Prince*): On this question, Mr. Minister, has any thought been given to other means of financing the acquisition of this painting other than direct government expenditure?

Miss LAMARSH: Yes.

Mr. MACDONALD (*Prince*): For instance, some kind of a national project to which everyone might contribute in some way, other than through the—?

Miss LAMARSH: We have taxes, Mr. MacDonald. Most of the people do contribute.

Mr. MACDONALD (*Prince*): Yes, I know.

Miss LAMARSH: That would be about thirty cents a head I think.

Mr. MACDONALD (*Prince*): This often destroys some of the incentive or motivation but I wondered if there was some way in which there could be a conscious and, if you like, a voluntary contribution, or was this considered?

Miss LAMARSH: If it were decided to acquire it and if the owner decided to sell it, there are other considerations; it might be displayed for a cost, with an option to purchase. Indeed, some thought—I do not mean to say that a great deal of work has gone into it—has been given to the fact that like the project of Statue of Liberty, the children of the country might be asked to participate in such a project. I would myself not want to see a national purchase such as this acquired by gifts from ten thousand cultivated people or a thousand cultivated people who might never be in Canada, as has been done in the acquisition of the Moore sculpture in Toronto. I think I would prefer it to belong to everyone, by virtue of their participating in the acquisition, than of asking some few people to make a tremendous contribution to present it to the country.

I would certainly hope that in the years to come the Canadians who have acquired works of art would desire to leave them to the people of the country, not of the province but of the country, regardless of where they might be located. But these are the things that were acquired in the first place for their appeal to the person who spent his money, not given in financial gifts to buy something that someone else had a chance to acquire. It is just as the Centre for the Performing Arts is something for all of Canada, that we all helped pay for. It is just as the Library or the Gallery itself is something that we all contribute to and becomes a part of our national heritage. So the acquisition of the best kind of thing in the world, something which I think every Canadian will need to feel he himself participated in, and so I would hope that if a decision is taken to acquire the Leonardo, if it were available, that it would be on the basis of an acquisition out of the federal treasury.

Mr. MACDONALD (*Prince*): I would not bring my suggestion up to have a few of the devotees making contributions but a wide-scale involvement of people, not only for the sake of defraying the expense but also to give people the conscious sense of participating in acquiring this. It is easy enough to say that when it comes out of the federal treasury we have all somehow made a contribution; but when people are involved, whether they be children or whatever, there is a real sense then of identification with this project and pride in the fact that they have achieved something. It could involve hundreds of thousands of people across the country and be a feat in itself.

Miss LAMARSH: I think the people of Prince Edward Island must have a special appreciation of what can happen when something that people say is a crazy expenditure—almost a throwing away of money on it—takes place, because certainly there was enough criticism of the construction of that centre, but the impact is has had, not only on the people of the Island but the people who come to visit the island, I think has proven its worth many times over. I would think

that the achieving of a symbol of excellence such as this, if it were nothing else than one of only—I thing there are only ten da Vincis left in the world; his genius was of the very highest order in almost every field. I suppose there has never been a greater genius in the world. The feeling that Canada would have a part of this and would be the repository for such a treasure I think would be something we could give our children, and our children's children. I do not know, perhaps the owner of the painting would like to benefit Canada, but I do not really think so, by giving it to us. Perhaps the people of Italy would like to because they have so many people here. Perhaps Canadians of Italian extraction would like to buy it for the rest of their Canadian friends. I do not really think so. If the state and the people decide to achieve something like this, then they ought to darn well go out and get it.

The CHAIRMAN: It being six o'clock, I suppose we should adjourn. I understand that the Committee will want to call on the Minister after we have gone through the other various agencies with the heads of agencies, is that the understanding?

MISS LAMARSH: That is not for me to decide. I will come back any time you ask me to.

Mr. BASFORD: The estimates we have in front of us are simply those of the Secretary of State in these little booklets that are so handy I wonder if the clerk could combine with them the estimates of the various agencies that report to the Committee. Secondly, we have, reporting to the Secretary of State and therefore to this Committee, the Civil Service Commission. The Civil Service Commission will be reporting to the special joint committee on the three bills that have been referred to it, and therefore we have to make a decision whether we want the Civil Service Commission before this Committee or not.

The CHAIRMAN: Any remarks on that?

Miss LAMARSH: I am told that that special committee is not going to deal with estimates of the Civil Service Commission just with the bills.

Mr. BASFORD: The bills are pretty far reaching. They go through the whole reorganization of the civil service.

Miss LAMARSH: I believe that all of these estimates have been referred to a Committee, so I suppose it can pass it without debate or supplementals. With respect, Mr. Chairman, we have to do something with them, because I have to get them passed by a Committee some place before they are reported to the House.

The CHAIRMAN: They should come before this Committee?

Miss LAMARSH: Well that is where the House referred them.

The CHAIRMAN: The Committee will meet next Friday morning at 9.30 a.m. to consider the Canada Council tentatively, or has it been arranged? It is confirmed, Canada Council.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. GÉRARD PELLETIER

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

FRIDAY, JUNE 10, 1966

The Canada Council

WITNESSES:

From The Canada Council: Mr. Jean Boucher, Director; and Mr. Peter Dwyer, Associate Director.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24401—1

STANDING COMMITTEE ON BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Gérard Pelletier

Vice-Chairman: Mr. Ron Basford

and

[1]Mr. Allard,
Mr. Asselin (*Charlevoix*),
Mr. Béchard,
Mr. Berger,
Mr. Brand,
Mr. Cowan,
Mr. Fairweather,
Mr. Hymmen,
Mr. Johnston,
Mr. Langlois (*Mégantic*),
Mr. Lewis,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
Mr. Macquarrie,
Mr. McCleave,
Mr. Nugent,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Stafford,
Mr. Stanbury,
Mr. Trudeau—(25).

M. Slack,
Clerk of the Committee.

[1] Replaced by Munro on Thursday, June 9.

ORDER OF REFERENCE

THURSDAY, June 9, 1966.

Ordered,—That the name of Mr. Munro be substituted for that of Mr. Allard on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

24401—1½

MINUTES OF PROCEEDINGS

FRIDAY, June 10, 1966.
(35)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.50 a.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Basford, Béchard, Berger, Cowan, MacDonald (*Prince*), Macquarrie, McCleave, Pelletier, Prittie, Richard, Stafford, Stanbury (12).

In attendance: *From the Canada Council*: Messrs. Jean Boucher, Director; Peter Dwyer, Associate Director; André Fortier, Head of Financial Management Service and Miss Lillian Breen, Secretary-Treasurer.

Also in attendance: Dr. P. M. Ollivier, Q.C., Parliamentary Counsel.

The Chairman called Mr. Jean Boucher, Director of The Canada Council, who made an introductory statement.

Mr. Dwyer was then called and he made a statement on the activities and operations of The Canada Council and the programs it has developed.

Mr. Boucher was examined, assisted by Messrs. Dwyer and Fortier.

The questioning of the witnesses being concluded, at 11.00 a.m. the Committee adjourned until 3.30 p.m. on June 13.

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Clerk of the Committee.

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EVIDENCE

(*Recorded by Electronic Apparatus*)

FRIDAY, June 10, 1966.

• (9.45 a.m.)

The CHAIRMAN: Order, please. To save time, since the House is sitting at 11 o'clock, I will forthwith invite Mr. Jean Boucher to come forward to make his presentation.

(*Translation*)

Mr. J. BOUCHER (*Director, The Canada Council*): I would like to take this opportunity to tell you how glad we are to appear before this Committee. For the first time in its nine years existence the Canada Council has been able to come and explain its work to a Committee other than Public Accounts. We are therefore most grateful for this opportunity. Our relationships with the Committees will probably be a good deal more assiduous than they have been in the past. You have before you the officials of the Council, the administrators—not the members of the Canada Council. This is perhaps something you should keep in mind because we might stand certain questions that refer to the long-term policies of the Council for we are only the persons expected to carry them out.

(*English*)

Perhaps it would be helpful if I defined for you in just a few words the nature of the Council and, very generally, what ground it covers. If you think it would be helpful, I could do this in a couple of minutes.

It is doubtful whether the Council is a crown corporation; it is a very unusual legal beast, certainly a unique one. Its relationship to the government and to parliament is quite special, largely due to the fact that, although it makes an annual report to parliament and its accounts are audited by the Auditor General, it was expected at first to live on the income of a fixed endowment, and not on annual appropriations. When it was established, two funds were given to the Council, one which was really an endowment fund, and the other one, which was to be expended as to capital and interest, the latter to subsidize capital expansion of university buildings, the first one to foster and encourage the development of the arts, the humanities and the social sciences. The situation changed a year ago when parliament voted a special appropriation of $10 million to increase the resources of the Council and allow it to perform as an agency closely associated with growth. Of course, if you only have at your disposal a fixed income, you are not able, really, to move with the increased activity of your public. Now, it probably will mean that the Council will again in the future have to come to parliament through the good offices of the government for additional funds.

The Council covers, basically, two areas, one which is academic, the other artistic. In its academic responsibilites, the council is expected to foster the development of research and higher scholarship in the humanities and social sciences. It is in this respect akin to the National Research Council, and I would presume that it is not primarily because of this responsibility that we are before your committee. On the other hand, this committe is concerned with the assistance to the arts and we are responsible for fostering the growth of the arts in Canada. Mr. Dwyer, the associate director, has prepared for you a brief review of our programmes in this field.

Also, as I said, we hve been entrusted with a program of capital support to Canadian universities, which is drawing to an end at the moment. We have also the responsibility to house and finance the Canadian Commission for UNESCO, and we do manage a certain number of special programs which are financed by special bequests or special departmental appropriations passed over to us.

I have with me Miss Breen, who is the secretary treasurer of the Canada Council, Mr. Fortier, who is the head of our financial management service, and Mr. Dwyer, who is now the associate director and who was from the beginning the senior officer of the council who had to deal with the development in the arts field. If you think that it might be helpful, Mr. Dwyer could now give you a general review of our program in this field.

The CHAIRMAN: Thank you very much.

Mr. PETER DWYER (*Associate Director, The Canada Council*): As this is the first occasion on which the officers of the council have appeared before this committee, perhaps you would permit me first to say something of a general nature about the council's birth by way of a preamble.

Since it was first established in April 1957, the council has interpreted its mandate from parliament as requiring it to create conditions which would release the energies of our artists and to help make a climate in which the artist in Canada could flourish...

(*Translation*)

In order to enable them to cultivate their talents.

(*English*)

There are indications that we have had a measure of success. For instance, during the existence of the council more than 20 new and important arts organizations have come into being. These would include the Playhouse Theatre Company in Vancouver, the Neptune Theatre in Halifax, the Vancouver and Edmonton Opera Companies, Le Théâtre Lyrique de la Nouvelle France in Quebec City, and the Vancouver and Charlottetown Festivals.

At the same time, many of the organizations that were in existence have developed at a remarkable rate. One way in which this development can be expressed is in budget figures. For instance, in 1957-58, the total budget of the Montreal Symphony Orchestra was $220,000. Its budget for the season just closed was $1,500,000. Again, in 1957-58, the Canadian Opera Company in

Toronto had a budget of $126,000. Last season its budget has risen to $685,000. During the same period, the budget of the Vancouver Symphony Orchestra went from $150,000 to $400,000, that of the Winnipeg Symphony Orchestra from $80,000 to $270,000.

We would also, if we may, like to remind members of the committee that Canadian arts have begun to appear in a more extended way on the international scene, where much of what we have presented has been very well received. We might perhaps note the presence during the past nine years of the Hart House Orchestra in Brussels, of the Montreal Bach Choir at Edinburgh and Osaka, the Montreal Symphony Orchestra and the McGill Chamber Orchestra in the Soviet Union, the Toronto Symphony Orchestra in England and France, the exhibition of 15 Canadian painters throughout the United States, le Théâtre du Nouveau Monde in London.

We would not wish to pretend that the climate is perfect; there are plenty of clouds on the horizon. In the first place, many of our artists cannot earn a decent livelihood by their art, and those who earn one, such as it may be, are often not fully employed. Many organizations, particularly those concerned with the performing arts, have heavy deficits hanging over them, even though they have an admirable take at the box office, as well as assistance from the Canada Council, and in most cases, from provinces and municipalities. For instance, the National Ballet of Canada recently described by an eminent critic in the *New York Times* as one of the major companies of North America, has an accumulated deficit of over $100,000. Les Jeunesses Musicales du Canada, an organization devoted to presenting music to young Canadians across the country, has a deficit of $110,000. The Crest Theatre and the Canadian Players of Toronto, who are at present joining forces to give Toronto a good repertory theatre, will have a combined deficit of over $200,000. These are fairly large figures. We must also remember that there are many young artists to whom a personal debt of $200 or $300 spent on essential materials for their work looms equally large. I sometimes think that when an officer of the Canada Council dies, the doctors will find written on his heart the words, accumulated deficit.

(*Translation*)

And on the other side obviously the words "accumulated deficit" a debt, if you will.

(*English*)

It is clear, I think, that the development of our performing arts is outstripping our combined resources, though we still may take some encouragement that many of these deficits are secured by the communities which they serve, and that this fact indicates the regard in which they are held. In case members may think that deficits result from bad management, I should explain that in many cases the root cause is the physical limitations of the human senses. We simply cannot put enough owners of ears into an auditorium to pay for what is being played. When a major orchestra plays the opening chord of a concert, it will lose anything between $2,000 to $3,000, even if it plays to standing room only.

● (10.00 a.m.)

I would like now, if I may, to describe briefly the practical steps which the council has taken and programs it has developed to the limit of its resources to help bring the arts in Canada close to critical mass. There are three main levels of operation.

(*Translation*)

Our first task has been to grant direct aid to the Canadian artist himself for he represents, if we may say so, the essential basis of the whole structure. First of all, the artist must acquire the technique that will enable him to express himself in a truly professional manner. We attempt to begin this help at the time when the artist demonstrates his own individuality and when he has begun to create something which is sufficiently important for us to judge its quality. We help performing artists as well as creative artists and we have attempted during the years to pay particular attention to the latter as far as we could. For the younger group, we offer scholarships. This year, the council has given 128 of these scholarships in an amount of $286,000. When the artist has matured, he needs a refresher period from time to time, to see what is going on amongst his colleagues, and perhaps begin experiments in new forms. The artist at this stage of development is the artist to whom we grant fellowships to enable him to work freely. We have given 47 fellowships at the cost of $220,000 this year.

(*English*)

It is scholarships and awards of this kind to the individuals over the years which have contributed modestly to place the pianist Ronald Turini on the international concert circuit, to make Louis Quilico one of the leading baritones of the world, to help the print maker Yves Gaucher to win international recognition at Grenchen, to help Teresa Stratas to sing at the Metropolitan, to ensure that Hugh Garner had time to write a novel, and the poet Al Purdy experiences to complete a new book of poetry. And indeed for many other artists to find time to work and create in Canada.

After our scholarships come the important grants which the council gives to organizations. These are the symphony orchestras which reach from Victoria to Halifax; our developing network of regional theatres; our ballet companies; our festivals; our opera companies and art galleries. The best of these form the basic structure of our arts. Thanks to the additional appropriation of $10 million made to the council last year by parliament for all our activities, we have been able to increase the level of our subsidy to something nearer the real requirements of these organizations. By way of example, you may wish to know that last year $700,000 was devoted to music, $600,000 to the theatre, $400,000 to dance, $170,000 to opera, $270,000 to festivals, $150,000 to the visual arts. The total which we devoted to all the arts last year was $3.4 million.

The methods by which the council gives its assistance to the arts require each organization making an application to provide a full financial statement for its previous year of operation, and a budget to cover the period for which the grant is requested, showing anticipated revenues and expenditures. These are scrutinized in our office to ensure that other levels of support, including private fund raising, are maintained at a reasonable level. Larger grants are paid in three instalments and the organizations must give progress reports during the course of the season. The allotment of the council's funds depends partly upon

need, partly upon quality, and partly upon our own resources. When considerations of quality are a serious issue, the council has always tried to turn to the artistic community itself for advice and has developed an extensive network of advisers.

It is on these organizations that the professional artist depends wholly or in part for his livelihood. Indeed, in many cases, without them he could not express himself. At the same time, they are the means by which the Canadian public is able to enjoy the artists' work; and this public is beginning increasingly to show that it wants them. This interest is expressed in cold cash at the box office and, for those organizations which were our clients during the financial year just ended, it amounted to something in the neighbourhood of $7.4 million. This does not include money spent, of course, on the movies or other forms of art which the council does not subsidize directly, but you can see that we do have a fairly large artistic bear by the tail.

We would like to stress that the council has always felt its first responsibility must be to professional organizations. Professionalism equates with quality, and the council has considered it a duty to develop and maintain standards of excellence wherever they may appear, because excellence is expensive. I might point out that unless this pinnacle of excellence exists—in other words, without the big league teams—there is a danger of a kind of second law of thermodynamics in the arts coming into play with a resulting levelling off into mediocrity. Nevertheless, the council has also recognized that it does have a responsibility, as far as its funds permit, to help develop the arts in places where they are less advanced. It just is not possible, on economic grounds, for the best in the arts to be permanently available to every community, and the council has never thought that it should attempt to create resident companies in cities not capable of supporting them, where touring has to be the answer. The relationship between funds that can be spent for development and funds desperately needed by mature organizations is a delicate balance which we have to maintain, and we are therefore particularly glad to see that in recent years one or two provinces assumed responsibility for work in the community themselves.

To return to our three main levels of operation, the last form of support is for organizations providing services to the arts, and also for a few projects of a similar kind which the council has undertaken itself to meet a national need. There are in Canada a number of organizations which are designed to provide services to the artist, or to art organizations, or to make a national forum where their voice can be heard. For instance, the Canadian Music Centre is devoted to the interests of our composers, collects scores and tape recordings in a central library, and generally works to stimulate the performance of Canadian music in Canada and abroad. The Theatre Centre provides similar services to theatres and theatre people across the country. The Canadian Conference of the Arts is a body representing a large group of organizations of all kinds and it brings together representatives to discuss problems of common interest. The National School of the Theatre, the National Ballet School and the National Youth Orchestra provide expert professional training for our younger artists. All these organizations receive the council's support.

There also appears from time to time a national need which the council feels it can best meet itself. Among projects of this kind are our own Theatre

Arts Development Programme designed to train and develop administrative and technical personnel in the theatre. Our Director's Choice project, which enables the directors of art galleries to visit other parts of the country to purchase works for their own institution. To help stimulate the purchase of painting, the council has begun to form its own art collection which it hopes later to be able to exhibit fairly widely.

I hope I have said enough to demonstrate that during the nine years of the council's existence a number of remarkable things have taken place, that our arts have developed to a surprising extent, and that their impact is beginning to be felt on the international scene. All this, of course, has been done by the artists themselves whose servants we are. What is more Canadians seem to show increasingly that they want to see and hear what our artists can do, and we would expect that the arts festivals to be presented across the country in 1967 may whet the public's appetite further.

I would like to end, if I may, by saying something briefly about the future. Much of what needs to be done will take time, and we cannot look for any instant miracles. It will also take money. If we may make a suggestion, we would say that the one thing that the arts in Canada most need is the assurance of continued support and that this support should be escalated to permit a healthy growth, and to allow for careful planning and for experimentation over two and three year periods. At the moment, much of what is done has to be done in a climate of uncertainty, and we feel that the organizations deserve a more stable future—most particularly because they are one of the important binding forces in our country in a time of some divisions. We would also like to suggest that artists themselves be brought over a period of time to full employment—that is, continued employment with the organization to which they belong, so that they do not have to scratch for a living during part of the year. In fact, that they be considered as valuable members of society and made to understand that they are so regarded. If we can achieve this in the foreseeable future, then we shall have done quite well. Thank you.

(Translation)

The CHAIRMAN: Thank you Mr. Dwyer, the members of the Committee have already asked to be listed to put questions.

(English)

It might be useful to remind the committee, before we go into questioning, as Mr. Boucher pointed out, the status of the council is really quite particular. First we do not have any estimates before us for the council, and as it was stated shortly after the creation of the council before the Committee on Public Accounts, I think, the council is almost an independent body like a public trustee. I do not think this will make much difference in the line of questioning of the members, but I thought that it might be useful to underline that as a matter of information. I do not think the committee will want to scrutinize the activities in exactly the same way as they would for an agency that depends on parliament in the ordinary way.

Mr. BASFORD: After hearing your caution, Mr. Chairman, I do not know whether or not my questions are in order.

The CHAIRMAN: Just try.

Mr. BASFORD: Well, the first is a technical one which has reference to page 36 of the report and the remarks of the Auditor General contained in his report, that he is still of the opinion that, for reasons given in his 1964 report, the method of allocation of the fund has not been in accordance with the Canada Council Act.

Mr. BOUCHER: This has reference, of course, only to the way in which the second fund expended as to capital and interest for the support of the building programs of Canadian universities is concerned. It does not have to do with the way we are carrying out our responsibilities with moneys coming out of the endowment fund. There is a technical difference of view between the Auditor General and the Canada Council. That difference has not been resolved; it persists. It has been taken to two successive Prime Ministers of Canada who have expressed the view that the Canada Council had full authority to assess the situation as it saw fit. This has been expounded at some length in the Public Accounts Committee, and the committee has come to the conclusion that the position of the council is a valid position. But there appears to be some doubt still whether the act is quite clear in this respect, and it is to resolve some possible doubt that the Auditor General has suggested that steps be taken to have the act amended, the council being of the firm view that it is quite within the law to do as it does. Having had the views expressed by prime ministers that the government should not interfere in this discussion, the council is not disposed itself to cause, and has really no ways of causing, an amendment to the act, to be made in order simply to resolve some possible doubt.

Mr. BASFORD: I have another question along a different line. You have a regionally representative board. What thought has ever been given to establishing in each province or in each region a provincial advisory board. You will notice that many of your major national companies will have in each province an advisory board in an attempt to keep that company closer to developments going on in that province or that region.

Mr. BOUCHER: This, of course, is a matter on which top officers of the council should not have too firm views. I think I can say safely that it is probably not a matter that has retained the attention of the council. The council has felt the necessity for close consultations with persons active in its field in all the various parts of Canada. Of course, the council does not think so much in terms of areas which are circumscribed by provincial boundaries as it thinks in terms of broad cultural regions of the country. It has continuously relied very heavily on the advice, both volunteered and sought, of all the persons who were closely associated with the developments of the arts in the various parts of the country.

Mr. BASFORD: Yes, that is a valuable suggestion, that in each region, and I am not thinking along definite provincial boundaries either, there be a volunteer advisory council established that could meet within its regions periodically to discuss the work of the council, to discuss the cultural needs of the region, and to serve two purposes, sir, one, to keep the council in close touch with

developments going on in that area, and secondly, to bring the council closer to the people. I think the suggestion has good merit.

Mr. BOUCHER: I would gladly convey it to the council.

Mr. BASFORD: I thought Mr. Prittie had a supplementary.

Mr. PRITTIE: I do not know whether it has so much bearing. The Canada Council deals with national organizations such as the Dominion Drama Festival which, in turn, has regional organizations, and I think this function is served that way. It deals with national learned societies, for example which, in turn, have regional organizations. That is the only comment I wanted to make on that.

Mr. BASFORD: Now there was not much said this morning about the work of the council in the area of humanities and the social sciences. What program does the council have to familiarize the people at our universities with the work of the council and the grants available from it?

Mr. BOUCHER: I do not know whether the point that I made was clear at the beginning. There was, indeed, very little said about that part of our responsibility, because I was under the impression that this would be a matter which would be discussed in the same forum where the affairs of the National Research Council would be discussed, but I would be quite prepared to comment on your question.

What the council does in the field of the humanities and social sciences is not really to give aid to students but to assist the developments in research. It has fellowships for the senior students who are in the ultimate stage of being initiated to a teaching or research career; these are doctoral fellowships. They are announced through leaflets that are widely distributed. I appreciate that they may not reach all potential applicants, and this is something which we would very much want to improve as we find faults with the system of communication. Apart from that, we have a series of programs which are intended for career scholars, university persons engaged in research. This takes many different forms, either senior fellowships, research grants, publication grants or conference grants, and they are announced through the same fashion in annual leaflets, then widely distributed through all the graduate departments in the country.

Mr. BASFORD: I put the suggestion to you that because many of the people engaged in our universities are from the United States, England, or Europe, and really are quite unfamiliar with the Canada Council, it would be very helpful for the Canada Council to have on each campus a representative—and I mean a volunteer representative—who was familiar with the work of the council, the type of grants and fellowships it gave, with whom people at the universities interested in doing research work could have some direct contact, rather than through the mail at Ottawa, for the granting of students loans, for example. If there was on each campus one person to whom all the students could go to ascertain how the program operates it would be very valuable, and I think the council should give some thought to this.

Mr. BOUCHER: This suggestion has recently been made to us. We have not had time yet to look into it very closely, but I think it certainly has merit.

Mr. BASFORD: I would like to put another suggestion to you. You mentioned the National Research Council; what thought has the council given to the establishment of a National Research Council concept in the field of the humanities and social sciences?

Mr. BOUCHER: Well, I suppose that you have reference there to the fact that the National Research Council is not only an award granting body but also a body engaged itself in research. I do not know whether I should go very far in this respect but perhaps I should point out that when the National Research Council was established, the state of development of the disciplines with which it was concerned was quite probably, if not less advanced, at least less structured than the humanities and social sciences already are in Canada. The Canada Council came later inthe process of development of the humanities and social sciences, than the National Research Council came in the development process of the physical and biological sciences. I think at the moment the universities would certainly expect research developments to take place primarily within the context of Canadian universities and would probably not view with a great deal of relish the prospect of, possibly, the most enterprising social scientists and humanists congregating together into an institution where they would be relieved of all teaching obligations.

Mr. BASFORD: It would seem to me that if there were facilities made available for scholars in the humanities and social sciences to come to an institute and work for six months, a year or 18 months on subjects without the pressure of other academic and teaching activities, that this might serve a very valuable function; we now see other agencies in Canada having to do this, such as the Economic Council of Canada, which is having to spend a great deal of money on the preparation of research papers, and various studies. It would seem to me that if we had something under the Canada Council, where these facilities were available, we could well have this type of research being done on a continuous basis.

Mr. BOUCHER: I certainly cannot disagree with this point of view. I think perhaps I should have said right away that we did not have anything like the resources which would allow us, at the moment, to undertake this sort of project in an efficient way. It would be a quite substantial program, and it would absorb at the moment certainly all of our resources.

Mr. BASFORD: What are he resources in this area?

Mr. BOUCHER: Well, the resources for the humanities and social sciences last year were not quite $3 million.

Mr. BASFORD: Well, if one were to obtain part of a floor in the new National Library, I think this could be carried on for far less than $3 million.

Mr. BOUCHER: With $3 million, we do half of a job, and that is a generous estimate, in subsidizing the post-graduate students who are going for their ultimate Ph.D. degree. We give some assistance to university teachers who are put on sabbatical leave, and we give hardly anything to subsidize research projects undertaken by Canadian scholars on their own initiative on campuses. So, we certainly are not in a position at the moment to embark upon something which would be, I am quite prepared to grant, a very imaginative development,

but would be also an expensive project. If ever we are in a much more substantial financial position, this is something into which we would want to look.

Mr. BASFORD: I could leave with you then the suggestion of provincial advisory councils and campus representatives which the board might wish to give some thought to.

The CHAIRMAN: Mr. MacDonald, you are next.

Mr. MACDONALD (*Prince*): Mr. Chairman, yesterday I asked in the House—I was intrigued to read this a few days earlier—about the amount of $12 million, I believe it was, that has been left to the Canada Council by the Dorothy J. Killam estate. If the article is correct, it suggests that, under the terms of the bequest, it could not be used under the terms presently defined in the Canada Council Act. What does this mean? It seems like a strange way to leave $12 million. For instance, what did she have in mind when she put this stipulation on this substantial amount of money?

Mr. BOUCHER: The bequest is for only part of the programs that are the genuine responsibility of the Canada Council. It is not to be spent in our arts program, but it is to be spent on our academic program; so there is nothing in the bequest which is unusual for us, except that it does not give us freedom to use that money for whichever of our programs we would like to apply it to.

Mr. MACDONALD (*Prince*): In other words, there does not have to be any amendment to the act, say, in order to make use of this money.

Mr. BOUCHER: No.

Mr. MACDONALD (*Prince*): She is simply pointing it in one direction.

Mr. BOUCHER: Quite.

An hon. MEMBER: There is the money for a National Centre.

Mr. BOUCHER: Eventually—and I have to say eventually because it will take years before the Canada Council comes into all that money—the Canada Council may be in a position to have an annual income of something like $1 million out of that bequest.

Mr. COWAN: How do you determine the $1 million.

Mr. BOUCHER: It will be $16 million because we have already had a $4 million anonymous donation from the Killam estate.

● (10.30 a.m.)

Mr. COWAN: Anonymous?

Mr. BOUCHER: It was anonymous until Mrs. Killam died.

Mr. MACDONALD (*Prince*): I have understood recently that while the Canada Council has made grants available to writers who were in the process of writing a book, apparently it has not been the policy to make grants available to writers willing or anxious to produce scripts for the use of the visual media, say, of television or of feature films. Is this the policy of the Canada Council?

Mr. DWYER: It certainly is not the policy, to my knowledge. We have never been asked to support a writer who was doing a television script. We certainly

have supported dramatists and writers who do write television scripts, but whether during the course of our assistance they wrote one, I would not know. It is usually to write a play or a novel, or to continue with their work.

Mr. MACDONALD (*Prince*): I know some of the film writers are under the impression that this is so. I believe one writer recently submitted a request or an application for a grant and was turned down. Another writer who was also anxious to produce a script for a feature film, realizing that he might be turned down, I think, requested the assistance to produce a book. He plans to write the book first, and then from the book produce the script for the feature film. Apparently this is not done.

Mr. BOUCHER: Perhaps I could ask you for more details after the meeting.

Mr. MACDONALD (*Prince*): There is something I should have said at the beginning, perhaps; I think the work of the Canada Council is one of the most important things that has been done in recent years toward the establishment of a national identity which everybody seems to be so concerned about, because it strikes me that when we talk of such things as national identity they are most clearly achieved when we are able to relate the symbolic side of our culture, if you like, to what is happening in our society.

I know that in other countries, particularly in European countries, in recent years there has been a good deal of assistance given to the development of different forms of arts there. I am wondering whether the amount of money that we spend annually on assistance to the arts compares favourably or unfavourably with the kind of assistance that is given in other western countries?

Mr. DWYER: I could give you one concrete example, if you wish. The amount that we have spent on all the arts across the country in the last financial year was $3.4 million. The amount which the French government provides for the Opera and the Opera Comique, two houses in Paris, is $7,000,000, just for two theatres alone. This would be apart from the assistance to the Theatre National de France and to all the cultural centres which they have and are developing across the country. It is a great deal less than the Austrians give to their theatres; it is less than the Arts Council of Great Britain gives there too.

Mr. MACDONALD (*Prince*): Would you say, then, that we are really only putting a drop into the bucket to get at what could and should be done? What percentage of those who would qualify, if the resources were available, are turned down annually; would you have any estimate of how much yet could be done if the resources were available for further assistance?

Mr. DWYER: Well, if I may answer this question, so far as the scholarships for the individual people are concerned, we are turning down, both for fellowships and for the younger people, a fairly large number to whom we would wish to give help, if we had additional sums. The ratio at the moment of fellowships is one fellowship for every two applicants, and in scholarships, one in three. We certainly feel that the one in three ratio should be brought up to one in two.

On the other side of the question, that is to say, so far as the organizations are concerned, I think the great need is for things which are not being done such as insufficient moneys spent in the development of arts in areas where they are not yet far advanced. People who themselves could help to develop the local talent should be sent in.

Those organizations which are helped are frequently not helped in sufficient measure. They are always running hand to mouth, always carrying those deficits which I described, always wondering about the plans for next year.

Mr. MACDONALD (*Prince*): You mentioned near the end of your remarks that you believed there had to be an escalation of support. Did you have a figure in mind, that might be reasonable to work toward?

Mr. A. FORTIER (*Financial Management Service*): Well, to do what we would like to do next year we would need to have more funds than we have now. We mentioned $3.4 million last year. I think that by next year we will need something pretty close to $6,500,000 or $7 million, almost twice as much, and then an annual escalation of something like 20 per cent. What we are faced with is that major organizations have not reached their full development yet. An orchestra like Toronto, for instance, is playing only 30 weeks a season. All these things will require more money if they want to continue and do more. This is why the escalation will have to be fairly substantial to provide for it.

Mr. MACDONALD (*Prince*): It is my understanding that the majority of your support at present does come from the Canadian government but that you have had a certain sum come from private benefactors, such as the Killam estate. Is there any definite attempt made to publicize the fact, particularly to people of a philanthropic nature, that this is something to which they might turn their attention? Is there a conscious attempt made to help people subscribe to this way?

Mr. BOUCHER: There has been. The private funds do not, unfortunately, represent a very substantial share of our annual expenditures. They represent a very minimal share. I do not think we can escape the conclusion that, very generally, the Canada Council would have to be supported by public funds. We are most encouraged to see that certain well motivated and otherwise wealthy Canadians can think of the Canada Council as a wise place to leave their riches, but we have circularized all the trust companies, all the lawyers, all the notaries, who are associated with the procedures of having wills written by various people. We have a booklet that has been widely distributed telling people that it would be a worthy gesture to leave money to the Canada Council, and telling them how to do it. This has not resulted in very substantial funds being given to us because there are not that many very large private fortunes in this country. We hope that the Killam bequest will encourage others.

Mr. MACDONALD (*Prince*): Maybe I should know the answer to this, but has any film been made on the work of the Canada Council, say, by the National Film Board?

Mr. BOUCHER: No.

Mr. MACDONALD (*Prince*): Has it been thought that it might be a worthwhile promotional vehicle if the film board were to make, say, a half hour motivational documentary?

Mr. BOUCHER: I do not know. I think our publicity should be of a special nature; we should not so much publicize ourselves as publicize the people we try to help. Our information program should really deal with the persons we try to support. So, really, a film about the Canada Council would probably have to be a film about development in the arts in this country or the development of the humanities and social sciences in this country. I suppose, in a sense, one could say that the National Film Board has done a number of those films, although they have not been sponsored by us.

Mr. MACDONALD (*Prince*): I notice that the Canada Council has come to the support, and does assist the development of various arts undertakings in a number of centres across the country. One of the difficulties, as was mentioned, is that there is a limited audience in all of these centres for the kind of productions that are being put on. Is much thought or support given to the idea, because of the kind of country in which we live, of moving these various shows from place to place? I am thinking that is, of the symphony in Toronto, the ballet in Winnipeg and, of course, these productions could appear in Charlottetown, in the Stratford Festival, and elsewhere. Could not the facilities be set up so that there could be a good interchange? In this way, when the audience potential is exhausted in the urban areas of southern Ontario, for example, the show could be moved then to say, British Columbia. The same would be true with the eastern part of the country.

Mr. DWYER: We have given this a good deal of thought, because it is an admirable suggestion, and in a country with our geographical shape it is very important to do it. At the moment, the amount of money which we have is pretty well devoted to making the things which should tour possible, in the first place. It does become very expensive, indeed, to move things around. To move a large symphony orchestra across the country would take very large sums of money. One of the problems too is until the orchestra comes to full employment many of the musicians in it must earn a living by teaching, by playing background music on the radio, by jobs on television, for fashion shows, whatever it may be, and frequently they are not available to travel. We have seen, and are trying to nurture, an exchange of scenery in regional theatres because, as you say, if a considerable sum of money has been put into the pre-production costs of a play, and if that play then is good, it stands to reason it would be desirable to move it to another town and get more revenues at the box office for your initial outlay.

I do not know whether you have noticed, but recently Stratford took one of its plays and played in Winnipeg in the Manitoba Theatre Centre. We would very much like to see more of this done. It is possible that the presence of the National Art Centre here, when it is built, will be something which will help stimulate movements of this kind.

The CHAIRMAN: Mr. Stanbury, have you a question?

Mr. STANBURY: Mr. Chairman, I wondered, looking through the reports, whether there had been any substantial assistance in the development of the arts

and culture of our indigenous population, the Indians and Eskimos. I have not noticed in the reports any grants which I can identify as being of this kind of assistance. Could you tell us what, if anything, has been done in this field?

Mr. DWYER: I do not think that any project or program has been launched, but a number of suggestions have come to us which we have taken an opportunity to support. Let me give an example. It was put to us fairly recently that it would be desirable in certain areas where the Eskimos live to stimulate them to draw before civilization overtook them, while they could still express themselves in their natural forms; we sent an artist into the north to provide them with materials and to travel around to show them how to use them. In another case, on the west coast, we gave assistance for the rehabilitation and the carving of totem poles by a good Indian carver. We are very conscious of the need to help where an opportunity comes; there have not been too many opportunities so far.

Mr. BOUCHER: Perhaps I could add that quite recently, since I have been with the council, a grant has been made for the publication of a rather exceptional book that deals with the Kwakiutl collection at the University of British Columbia. Another grant was made to encourage an expert teacher who works with young Indian children on the north shore of Quebec and in the Gaspe Peninsula to paint and to have their paintings printed. There have been a few things like that.

Mr. STANBURY: This is a field in which the council should be capitalizing. Surely this, if anything, is essentially Canadian culture. I think we have a tremendous potential in the artistic talents of our Indians and Eskimos that has just never been tapped. I wonder if the council has considered taking an initiative in a field like this, or whether all its time has been taken up with simply processing requests for funds, and really little time has been available perhaps to initiate projects in fields like this which, I think, are so promising for your purposes.

Mr. BOUCHER: I think that what you say is very largely true, and it takes us back to Mr. Basford's suggestion. It is a fact that when the council started it was very conscious, probably, of its obligation to demonstrate to the Canadian public that it was not going to turn into a large empire. The staff was kept down to a strict minimum, to the point really where it could respond to demands, but was not available to go out in the field and initiate a great many things. We are now enlarging the staff somewhat; we will have people who will be able to travel, to meet artists, to listen, to envisage possibilities, and to encourage new things. This is something with which we are very much concerned at the moment.

Mr. STANBURY: Do you not feel that this should be a matter of pretty high priority, that if we are going to preserve and develop these talents, that it should be done pretty soon.

Mr. BOUCHER: I have recently attended a meeting on the North in Montreal, and I took this opportunity to suggest to people who live with the Eskimo sculptors that we would be only too glad to find one of them in our competition for art scholarships.

Mr. STANBURY: Are you consulting with the Department of Northern Affairs on matters such as this.

Mr. BOUCHER: I would not say that we have had assiduous or prolonged conversations with them.

Mr. STANBURY: The department has some activity in this field, and I should think that if you are interested in it as well, there should be some consultation.

I do not want to get into this situation of criticizing specific grants, I do not think that should be our purpose, but I am curious about a few. Before asking about any specific one, I wonder whether, in receiving private donations, you have ever had a donation from the trade union movement in Canada?

Mr. BOUCHER: I do not think so. Perhaps I should hasten to say that neither have we from the Canadian Manufacturers Association.

Mr. STANBURY: I was going to go on to say that I doubted if you had, but it strikes me as ludicrous, if that is not too strong a word, that the Canada Council would grant $12,000 in one year to the research director of the Canadian Congress of Labour for the purpose of preparing a history of the trade union movement, and I think this would be somewhat analogous to your granting $12,000 to the executive director of the Canadian Manufacturers Association to produce a history of the commercial development of Canada. It seems to me that each of these organizations is probably among the wealthiest in Canada and for the people of Canada, through the Canada Council, to give such a substantial grant for that kind of work, to an official of such an organization hardly seems to me to be the purpose of your organization.

Mr. BOUCHER: Perhaps I could make two comments on this, which may not satisfy you; the first one is that this sort of grant would be intended not to remunerate the investigator himself but to remunerate the graduate students who would be working with him so, in a sense, this is money spent on training researchers. The second point that I would like to make is that you are really raising the question of whether, whenever some other source of money were available but which would have to be in the form of a contract, we ought to abstain from supporting a project because it could be directly sponsored by some interested group. I think that if we started doing this as a matter of rule we would really not try to compete with contract research. I think that the most useful role that the Canada Council could perform is precisely to substitute itself, whenever there is a worthy project being undertaken, for any contractual source of money, because a research project financed by the institution that is being investigated could not be expected to have the same objectivity as the one that is financed by a free independent source.

Mr. STANBURY: I should think that the direction of the research would be at least as significant as the source of the finance. I do not argue with the purpose of the grant but it does seem to me it would be equally logical then for you to make such a grant to the executive director of the Canadian Manufacturers Association for a parallel purpose and, to me, that would be completely illogical.

But my point, for whatever it is worth, has been made. The Centennial Commission is making substantial grants in somewhat the same field as you are, temporarily at least. Is there any consultation or co-ordination between the

Canada Council and the Centennial Commission on the grants that are being made by both of you in the same area?

Mr. DWYER: Yes. That is, from the beginning the Centennial Commission consulted us in order to get some basic information as to the kind of organizations that might play a part, for instance, in Festival Canada, and in which it might help. We handled for them the initial approaches to the various organizations in the field of the arts which they wished to help, because we are used to dealing with them on a regular basis.

We have also been members of their Programme Development Committee, which was the committee designed to set up Festival Canada, to make the pre-production grants for organizations and to help with the touring of them during 1967, so that there has been very close and considerable consultation.

Mr. STANBURY: And, similarly, with individual grants for the publication of works of centennial significance.

Mr. DWYER: My recollection about this is that we were originally consulted and asked to help them, but subsequently I believe the Commission formed its own advisory committee in this particular field.

Mr. BOUCHER: We were consulted on the setting up of the adjudicating committee.

Mr. STANBURY: Is it possible that you could be making grants to the same people for the same works?

Mr. BOUCHER: It is very unlikely.

Mr. STANBURY: How could you know?

Mr. BOUCHER: Well, they are dealing with a type of publication which is usually in the form of centennial history, or monographs which are generally not undertaken by university staff. They are not very likely to be the sort of thing that the Canada Council would support.

Mr. STANBURY: Then there is not any consultation at the present time on this.

Mr. BOUCHER: I am quite confident that none of the things we are supporting in the field of publication now are also the object of subsidies on the part of the Centennial Commission.

Mr. STANBURY: Has there been any attempt by the Council to analyze the retention factor among the people whom the council has assisted, whether the very many people who have received grants are continuing to exercise their talents in Canada or whether they have been lost to us either by staying in Europe or in the United States? Has there been any attempt made to analyze the retention of the talents that you have assisted?

Mr. BOUCHER: Well, some attempt has been made in the academic field. The inquiry that we have started on this is not quite complete. I do not know that any attempt has been made in the field of the artists.

Mr. DWYER: It would be difficult to make such an attempt because in quite a number of cases, particularly those of the more developed senior people, the artist becomes a kind of piece of international property. In other words, you

could not expect a great singer like Louis Quilico or, say, Maureen Forrester, if you wish, to remain here permanently because the country cannot give them the employment that they need. It would be my own observation that there is a measure of loss, but that this is a risk that you have to accept. Very many of the people who you might think were lost are, in fact, back and forth and in and out of the country, and will come back and stay here at the drop of a hat if we can give them the employment they need.

Mr. STANBURY: I think the scientific, research or academic field would be more important, so far as retention is concerned. You said that there was some attempt made to analyze that.

Mr. BOUCHER: Yes. I think that the Council laboured under the impression that the loss was probably greater than it will prove to be. The first indications would be at the moment that it is probably less than 20 per cent, and I am talking now about people who are financed to go abroad; it is the loss of those who are sent abroad, and who do not return. It would not appear to be more than 20 per cent at the moment, and would indeed appear to be less than that in certain competitions.

This raises the question of what to do about a situation like that. Do you try to prevent it by not subsidizing anyone who wants to pursue studies abroad, or do you try to prevent it by sticking with the people who go abroad, establishing some sort of relationship with them so that they will have the feeling that this country has some understanding for the sort of things they are trying to do, and will therefore be enticed to come back.

I think that in most instances, if we did not support those who want to go abroad, they would go in any instance, except that they would be able to say that their native country has shown no understanding of what they wanted to do, and my own personal conviction is that they would be even less tempted to come back than if we had supported them.

The CHAIRMAN: I am afraid I have to apologize for putting an end to this for this morning. Is it the wish of the committee to have the gentlemen from the council back, or is it the feeling that we have put the main questions that we wanted to put to them?

On Monday, we had planned two meetings of this committee, one at 3:30 involving the Public Archives and the National Library. This is still tentative because we do not know if the people are available; we trust they are, and we would maintain this meeting. A second one had been planned for Monday evening but the steering committee needs quite a lengthy period of time to go into the drafting of the interim report on the CBC matters, so we will forego this one. After the Monday afternoon meeting the committee will not meet again until Friday, at which time we will discuss the National Arts Centre.

Since there are no other matters to bring up at this point, the committee should adjourn.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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LÉON-J. RAYMOND,

The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. GÉRARD PELLETIER

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 21

MONDAY, JUNE 13, 1966

Main Estimates (1966-67) of the Department of the Secretary of State (National Arts Centre) and also the National Gallery of Canada

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WITNESSES:

From the National Arts Centre: Mr. G. H. Southam, Coordinator. *From the National Gallery of Canada:* Dr. Jean Boggs, Director.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24403—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Gérard Pelletier

Vice-Chairman: Mr. Ron Basford

and

Mr. Asselin (*Charlevoix*),	Mr. Langlois (*Mégantic*),	Mr. Prittie,
Mr. Béchard,	Mr. MacDonald (*Prince*),	Mr. Prud'homme,
Mr. Berger,	Mr. Mackasey,	Mr. Richard,
Mr. Brand,	Mr. Macquarrie,	Mr. Sherman,
Mr. Cowan,	Mr. McCleave,	Mr. Stafford,
Mr. Fairweather,	Mr. Munro,	Mr. Stanbury,
Mr. Hymmen,	Mr. Nugent,	Mr. Trudeau—(25).
Mr. Johnston,	Mr. Peters,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, June 13, 1966.
(36)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 4.00 p.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Béchard, Cowan, Fairweather, MacDonald (*Prince*), Macquarrie, Munro, Pelletier, Prittie, Richard, Stanbury, Trudeau (11).

In attendance: *From the National Arts Centre*: Messrs. G. H. Southam, Coordinator; H. E. Kidd, Assistant Coordinator; and Robert Ellison, Assistant Director, Festival Canada Agency. *From the National Gallery of Canada*: Dr. Jean Boggs, Director; and Dr. William Dale, Deputy Director.

The Chairman announced that the anticipated consideration of the estimates of the National Library of Canada and the Public Archives would be deferred as Dr. Lamb was out of town this week.

The Committee proceeded to the consideration of the estimates of the National Arts Centre, and the Chairman called Item 22, Administrative Expenses.

Mr. Southam made a statement concerning the plans for construction of the National Arts Centre and the functions of his office, and was examined thereon.

Item 22, Administrative Expenses, was adopted.

Item 23, Construction or Acquisition of Buildings, Works, Land and Equipment, was adopted.

The examination of Mr. Southam being concluded, the Chairman thanked him and he was permitted to retire.

The Committee then proceeded to the consideration of the Estimate for the National Gallery of Canada.

The Chairman called Item 1, Administration, and invited the Director, Dr. Jean Boggs to make a statement.

Dr. Boggs made an introductory statement on the National Gallery of Canada and was examined thereon, assisted by Mr. Dale.

Item 1 was adopted.

The examination of Dr. Boggs being concluded, the Chairman thanked her and she was permitted to retire.

24403—1½

The Chairman tabled a return from the CBC requested by Mr. Cowan, giving the breakdown of operating hours on CBC English and French *television stations* and CBC English and French *television networks*—breakdown shows the division between live and film operations. (*Identified as Exhibit "P"*).

At 5.40 p.m., the Committee adjourned until 9.30 a.m. on Friday, June 17.

M. Slack,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

MONDAY, June 13, 1966.

The CHAIRMAN: Order please. The estimates of the National Art Centre can be found on page 430 with details on pages 488 and 439. I will call Vote No. 22.

SECRETARY OF STATE

National Arts Centre

22. Administrative expenses of the Office of the Co-ordinator of the National Centre for the Performing Arts $199,100.

I ask the Co-ordinator of the National Arts Centre, Mr. Southam, if he wishes to make an opening statement or proceed directly to the questions.

Mr. G. H. SOUTHAM (*Co-ordinator, National Arts Centre*): Thank you, Mr. Chairman. I think it might be useful to the Committee if I explained briefly the organization of my office which is a novel one and, within two or three minutes, expose myself to such questions as my brief explanation prompts among the members. I am happy to explain that I will be ready to deal with questions either in English or in French.

I would like to start, perhaps, by saying how very agreeable it is to meet with members of the House who dealt with the National Arts Centre bill in so understanding and gracious a manner on Thursday and Friday of last week. For those of us who have been working on this project for the last two or three years and who feel themselves involved, as I think we all do, not only officially but personally, and not only on the intellectual but on the sentimental level, it was very gratifying to hear from all parts of the House so well expressed and such a good understanding of what we are trying to do.

It is with great confidence that I now come before you to discuss, perhaps in more detail, the questions involved. I would like to remind the Committee that the government's decision to construct the Arts Centre, as its major centennial project in Ottawa, was announced by the Prime Minister on December 23, 1963. As you know, this was a project which was developed by a private association here in Ottawa known as the National Capital Arts Alliance which represented those groups in the national capital region both in Ottawa and in Hull—groups of both expressions—who felt the need of a concert hall and theatre worthy of the national capital.

The Arts Alliance raised the necessary sum to commission a feasibility study by Dominion Consultant Associates. The result of this was a 100 page volume which we laid before the Prime Minister in November, 1963, with the brief urging that it be accepted. On December 23, within a matter of weeks, the Prime Minister gratified us, and I think the national capital community at large, by saying, "yes, this should be it."

I do not think I need explain the architecture. It was mentioned to you in my Minister's speech on Thursday. It will be a 2,300 seat concert hall, adaptable for opera and ballet. There will be a 970 seat theatre, a 300 seat experimental theatre, a salon where about 100 people can gather together for more intimate occasions—poetry readings, small musical recitals. There will be, we hope, a first class restaurant which, I think, Ottawa needs and a more popularly-priced cafe. There will be office space not only for the management of the Centre but for such national organizations in the performing arts field as the Dominion Drama Festival, the Canadian Music Council, the Canadian Theatre Centre and others, who have all expressed interest in establishing their headquarters here. There will be, naturally, production spaces for the artistic groups within the Centre and there will be a rather expensive but essential underground garage for 900 cars.

This was the project which was put to the government and the one which was accepted. Construction was begun early in 1965 by the digging of that hole on Confederation Square, which has undoubtedly come to your attention. The digging of that hole represented phase one of construction and was completed late in 1965. The second phase of the construction was the building of the major part of the garage at the south end of the site under Mackenzie King Bridge and the replacement of the bridge on top. That was completed early in 1966. The government last week approved, and Treasury Board authorized, the letting of the contract for phase three which is the completion of the building in what remains of the hole. It is expected a contractor will get under way early in July and that construction will be completed, if all goes well, by the end of 1968 which, given the need for two or three months of tuning up, means that the Centre should be open for performances in the spring of 1969.

I would like to explain the functions of my office in the following terms. As soon as the government decision to build this building had been taken, it was decided that it was necessary to set up a small co-ordinating office to co-ordinate the planning involved up until the time parliamentary sanction had been received for the establishment of a National Arts Centre Corporation which would take over the management and direction of the building. The Prime Minister's go ahead was given late in 1963. My office was established early in 1964 so something like two and one half years went by before parliament was able to grapple with the necessary bill. What I would like to explain is what my office has been doing for two and one half years.

We have had three responsibilities. First of all, the government, I think very wisely, decided that a building of this novel and expensive kind should not be built without advice and therefore at the time that the decision to build it was made, the government also decided to appoint four advisory committees of distinguished and experienced Canadians in the performing arts field. My first responsibility has been to co-ordinate the advice received from these four committees. One was a committee on operations on which sat people who have managed enterprises of this kind, such as the Place des Arts in Montreal, the O'Keefe Centre in Toronto and others. The Chairman is Mr. Bertram Loeb of Ottawa.

Another committee on theatre is composed largely of the leading theatre directors across the country, was chaired by Monsieur Jean Gascon of Le Théatre du Nouveau Monde.

The third committee on music, opera and ballet was, in the same way, composed of leading musicians and opera and ballet directors from all across the country, chaired by Mr. Louis Applebaum.

The fourth committee on the visual arts was set up because, at the time the government decided to build this building, it decided to allocate three per cent of its capital cost for its embellishment by the application of the visual arts paintings, tapestries, sculpture and so on. The Chairman of the Visual Arts Committee was originally Mr. Donald Buchanan whose unfortunate accidental death early this year is very much a matter of regret for all of us. The present Chairman is Madame Andrée Paradis of Montreal.

The first job of my office, therefore, starting early in 1963, was to call these committees together, to co-ordinate their advice and to pass it in some kind of logical and coherent manner to the Department of Public Works for the guidance of the consulting architects. I should explain that the firm chosen to act as consulting architects for this project is the Montreal firm of Affleck, Desbarats, Dimakopoulos, Lebensold, Sise who were chosen on the grounds of their experience in building buildings of this kind. This was the firm that built the Queen Elizabeth Theatre in Vancouver, the Charlottetown Memorial Theatre and the Place des Arts. This is, therefore, the fourth building of this kind they have built. I think they are probably the most experienced architectural firm in North America in this type of construction.

So that our first job in my office was to pass the kind of advice that we got on architectural requirements to public works for the guidance of this firm. The Music, Opera and Ballet Committee fastened its attention, primarily, on the proper design of the opera house, the Theatre Committee on the proper design of the theatre and the studio theatre, the Operations Committee on the sort of management structure that will be needed and the Visual Arts Committee on the problems of painting and sculptural adornment of the Centre.

Our second task in my office, over the last couple of years, has been to co-ordinate the drafting of the bill which was laid before you on Monday last week. Here, I might explain a little bit of the philosophy which we groped our way towards in the meeting of all these committees. We decided to recommend, and I hope this recommendation has been reflected clearly in the bill that the management organization of the Centre should be responsible only for its administration of the Centre, that it should be not directly involved in artistic production. We consider that in the first stage at least, the artistic activities within the Centre should be carried on by other organisms, primarily by resident artistic organizations. We hope that it will be possible to revive a society to sponsor an orchestra, to create another society that will be responsible for professional theatre in English and in French and a third society, which will be responsible for the organization of a national performing arts festival to be held every year or so within the Centre.

This form of organization is untried in this country but has worked successfully for 30 years in the Palais des Beaux-Arts in Brussels. We looked around the world and discovered that the building which most closely resembles the one we are building here, is the Palais des Beaux-Arts in Brussels which was built, as this one has been by the Canadian government, by the

Government of Belgium but turned over to the community of Brussels to operate. There you find the management nominated by the Belgium Government who manages the building and the artistic activities carried on within it are carried on by private bodies who are associated with each other but on an independent basis, independent of each other and independent of the Centre. That is the basic concept for this Centre here.

However, we would expect that the management of the Centre will not only see to it that these tenant organizations carry on an effective program but also, in its own right, will bring leading Canadian companies to the Centre in every field—other theatre companies, ballet and opera companies and other orchestras—to make the Centre a proper show case—a national showcase for the performing arts. In the third place, the Centre will make the facilities in the Centre available to commercial impresarios in the normal way and fourthly to such of the amateur organizations in the national capital region who are able to rise to the challenge of using these magnificent facilities adequately.

The second task that my office has addressed itself to over the last two or three years, is pulling together these kind of ideas and trying to get them reduced to paper in the form in which they have been laid before you.

There has been a third task which we have been undertaking. Because our office came into existence to do what I have just explained, we discovered that we were, in fact, filling a vacuum in the government organization here. It appears that there is a need for what could be described as a government impresario and we have been fulfilling that role too. It is a role that we did not quite expect when we were set up. We thought we would be entirely concerned with plans for the building and the organization but because we existed and because our office attracted to its service people who are experienced in the field of the performing arts on the management side, we found, for instance, that the Department of External Affairs which, as you know, has been developing a program of cultural relations with French speaking countries and which last year decided to participate in the Commonwealth Arts Festival, turned to us and asked us to co-ordinate the arrangements for these programs. Consequently, we have been advising the Department of External Affairs on the proper ways and means of sending leading Canadian companies abroad under these programs.

Also, because the Centennial Commission decided to organize the Festival Canada next year, of which you may have heard, a year long coast to coast performing arts program which will see our leading companies from Halifax to Vancouver moving about, they, too, turned to us and asked us to set up what is called Festival Canada Agency, which is really our program division under another name, to co-ordinate the planning for this program.

I think, Mr. Chairman, I have outlined, the three major tasks that have occupied us for the last couple of years. I may have overlooked something but this would probably come out in the questions, if there are any, and I will be glad to answer them en anglais ou en français.

The CHAIRMAN: Questions now on Item No. 22.

Mr. PRITTIE: I have a few questions about the budget. You were seconded from the Department of External Affairs, were you not, Mr. Southam?

Mr. SOUTHAM: Yes. I am still a member of the Department of External Affairs seconded to this job as long as it lasts. I would expect my job and my office to be phased out of existence when the corporation is set up.

Mr. PRITTIE: I notice you have immediately under the Director of Canada Festival Agency four other persons. What functions do they perform? Do they correspond to the committees you mentioned?

Mr. SOUTHAM: No, the Festival Canada Agency is concerned only with developing the program for the Centennial Commission's performing arts program next year. The directors, Mr. Henry Wrong who came to us after twelve year's work with the Metropolitan Opera in New York—Canadian though he is—his assistant is here today, Mr. Robert Ellison and, between them, they are devoting something like nine tenths of their time to advising the Centennial Commission on their festival program next year. To that extent, they are not working on the program for the Centre itself.

Mr. PRITTIE: Would you mind explaining what the item of "Advertising and Publicity", consists of?

Mr. SOUTHAM: You have the advantage of me, Mr. Prittie. What page is it on?

Mr. PRITTIE: It is on page 439 of the estimates under Vote 22. I am interested in what sort of advertising and publicity it is.

Mr. SOUTHAM: I am with you. This amount is the maximum which we expect to be laid out by our office in the current fiscal year in explaining the National Arts Centre to the Canadian public. I might say that normally one does not launch so vast a project as this without a great deal of publicity but, because the government was operating under a very tight time schedule, this building, when it was launched, was to have been ready in 1967. The building began before parliamentary sanction had been approved for the management agency and therefore, rather unusually, we have not given much publicity to the plans for the Centre. We were awaiting parliamentary approval for the plans.

Mr. PRITTIE: You still have not got it.

Mr. SOUTHAM: We still have not got it and this has rather inhibited publicity about the Centre in the last couple of years. If we have been invited to make speeches to groups, we have accepted the invitation but with responsive explanations, if you will. We have not undertaken the major publicity campaign to explain this right across the country and we are still waiting for parliamentary approval. But we thought it wise to anticipate approval by at least putting in an amount into these estimates which we will gladly expend on brochures and other radio programs, television programs as soon as we have the indication that our plans have been approved.

Mr. PRITTIE: Do you pay for the reprint of opera news that was distributed last week? Was that part of your estimates?

Mr. SOUTHAM: Yes.

Mr. PRITTIE: I have several other questions, Mr. Chairman, about the proposed operation of the Centre. I realize this can change when there is a board and a permanent director. You mentioned various national organizations

would have their offices there. Is it the intention that the Dominion Drama Festival will be leasing and paying for this space?

Mr. SOUTHAM: Yes, it remains for the Corporation to determine the leasing arrangements. It remains to be seen how the Corporation interprets its mandate and whether it charges commercial rates or some other, considering the nature of the organizations that we hope to see as tenants, something less than full commercial rates. I cannot anticipate what the policy will be but we do anticipate there will be revenue from rentals.

Mr. PRITTIE: Would you expect that the restaurant and cafe will be profitable commercial operations?

Mr. SOUTHAM: Yes. We plan to recommend to the Corporation that they enter into a concession arrangement for the restaurant and the cafe and another concession arrangement for the garage. We have every reason to suppose that these will be profit making.

Mr. PRITTIE: Is the person, mentioned in the bill to become Director of the Corporation, principally a business manager or is he expected to be a person who combines business experience with a background in the entertainment or artistic field?

Mr. SOUTHAM: Given the nature of his responsibility, it would be more likely that he would have an administrative or business experience with, I would hope, a proven interest in the arts rather than his being an artistic director because, as I explained, we do not expect the Corporation to get directly involved in artistic productions. Its responsibilities in the early years will certainly be more of an administrative nature.

Mr. PRITTIE: I did not understand that point when I was speaking on the bill the other day. But today you have explained that the different groups will look after the presentations and the person who becomes Director of the Corporation will be primarily a business manager or co-ordinator of who is going to play in or use the Centre at various times.

Mr. SOUTHAM: I would like to reserve the right of the Corporation to decide whether they agree with me or not. This is the way it would seem to us now, anyway.

Mr. MACDONALD (*Prince*): There is one area that interests me in the development of the Performing Arts Centre. As I understand it, provision will be made for installation of television equipment so there can be a satisfactory coverage of performing events and this kind of thing. Is that true?

Mr. SOUTHAM: Yes. The hall, the theatre and the studio will all be equipped for radio, television and films. We have consulted not only the CBC but private broadcasters about the physical set-up for radio and television broadcasting and we have consulted the National Film Board about the physical requirements for films. We have had expressions of satisfaction from them about the provision that is being made. It is, I think, a very important point that you mention because this is one way in which we can make the Centre's activities real and meaningful to Canadian taxpayers for coast to coast.

Mr. MACDONALD (*Prince*): In installation of the equipment, is it conceived that there will be a permanent control room facilities in terms of full boards and everything for a three to five camera operations?

Mr. SOUTHAM: No. The arrangement which has been suggested by the C.B.C. is simply that we build in the necessary conduitry throughout the building and provide places for their great lorries to come in with that equipment aboard.

Mr. MACDONALD: (*Prince*): They will move the control right in when they are televising something?

Mr. SOUTHAM: Yes. It was the experience in Lincoln Centre—I visited Lincoln Centre once or twice—in the Philharmonic Concert Hall there, they built a complete installation for television within the hall and it has never been used. The manager explained to me, in a rather straitened mood, that he advised very much not to do what they did. Apparently, television people like to set up their cameras where and when they want to and they will not be confined to any particular place in the building. That was what he recommended.

• (4.30 p.m.)

Mr. MACDONALD (*Prince*): The reason I asked these questions is that it seems to me we talked about this the other day and about the difficulty we have in this country, due to its size and the small groups of population in different centres, and the possibility that some day it may be quite advisable to present a production, for example, here in Ottawa and to provide, by closed circuit, in some of these centres you have already mentioned, full theatre size reproduction of what may be happening here in Ottawa.

I can see, for instance, with the development of colour television, that you might want to present a ballet here in Ottawa, for example, which might be seen by closed circuit theatre screen in Charlottetown, Vancouver, Edmonton, across the country. This might be a very economical way of distributing this kind of art form. This has been in the thinking of the planning, has it?

Mr. SOUTHAM: That is an element in our thinking, certainly, but I would like to emphasize that there is no substitute for direct personal experience of the performing arts. It is more expensive to move a ballet company or an orchestra around the country but I hope that the Centre will have the funds which will enable it to do that. What one sees on television or hears on the radio is another kind of experience. It is a useful one and a valuable one but it is not the same.

Mr. MACDONALD (*Prince*): A better illustration would have been the Dominion Drama Festival which, of course, can only occur in one place per year. I know, having gone through a series with the Dominion Drama Festival, that it is of tremendous value to be able to watch this in a theatre or even in your home, if possible, all across the country.

Mr. FAIRWEATHER: I am interested in the phrase "commercial impresario". I have watched a couple of these theatres, mind you on a minute scale, in fact so minute that I hardly dare mention it. The one in Fredericton is partially endowed and it seemed to me that the impresario in that theatre drifted from the main theme. They were doing closed circuit prize fights and other things. I have nothing against prize fights, for those who want them, but is it part of your planning to include this type of thing in this Centre?

Mr. SOUTHAM: I think that we in this country owe a great deal to the activities of the leading impresarios—no names, no pack drills—but still you know some of their names: Mr. N. Koudriavtzeff of Montreal, Walter Homburger

of Toronto; here in Ottawa, Harvey Glatt or Earl Crowe or Leo Bernache. These people, in the arid years when there were few professional companies, have really provided the Canadian public with a wide range of performing arts activities, primarily in bringing foreign attractions. We owe it to people like them that the Bolshoi Ballet appears in Montreal or Toronto or the New York Philharmonic comes; also Harry Belafonte, I suppose, and Victor Borge. I therefore hope that it will be possible to reconcile their activities with the plans for the Centre.

I think the Centre itself will become a government impresario, as I mentioned, to work for the government, on a non-profit basis, in the movement abroad of Canadian companies, as we already find ourselves doing. Also, of the movement around Canada of leading Canadian companies. I would not suppose it would be a matter of concern to the Centre to bring American companies or European entertainers to Canada. I think this will remain a field of interest for commercial impresarios.

However, all activities within the Centre will come under the general supervision of the Board of Trustees and I hope that they will see to it that all the activities in the Centre, whether they are carried on by the resident companies or by the Centre's management bringing in other Canadian companies or by these commercial impresarios, will be worthy of the building. I think there will probably be some limits drawn. But I hope these limits would not exclude such performers as Harry Belafonte.

Mr. FAIRWEATHER: Nor Victor Borge.

Mr. SOUTHAM: Anna Russell.

Mr. FAIRWEATHER: The other question relates to the Lincoln Centre and their repertory theatre, the experimental theatre which, I understand, has been a disaster. I hope that people are learning from this. Perhaps this is the third season, is it not?

Mr. SOUTHAM: Yes. I would not like to comment on what has gone on elsewhere. We hope that a group of residents of the national capital region—in this case because it concerns theatre and theatre, in this country, concerns two languages—be made up in equal parts of English and French speaking Canadians.

I think the success or failure of any artistic activity, and this applies to theatre too, depends upon the quality of the artistic direction. Once this society has been set up, I hope it will be able to attract the services of first class artistic directors—both English and French—and with the backing which, I think, they will deserve and with the artistic quality of our best directors, I have no doubt that the results will be satisfactory.

We have very good directors in this country. Practically all of them were on the theatre committee and have really designed these theatres. They are all anxious to work in it, in one way or another, and I think this society will be able to get the kind of artistic advice it needs.

Mr. FAIRWEATHER: The last question has to do with your acquisition of three per cent of the capital budget. I presume this will be done in conjunction with the Gallery?

Mr. SOUTHAM: The first Chairman of the Visual Arts Committee who, as I mentioned, was Mr. Donald Buchanan, was Governor of the Gallery. Also, we are very happy to have as a member of the Committee Miss Kathleen Fenwick, who is the Curator of Prints and Drawings in the Gallery. In these ways, I think the decisions the Committee have taken so far have reflected the thinking of the Gallery.

(*Translation*)

Mr. TRUDEAU: My question is perhaps premature. You tell me whether it is. The witness, Mr. Southam has given us to understand that we have got beyond the stage of physical equipment, and I would like to know whether the reply he has got from theatre circles, art circles, musical circles, whether generally this is welcomed throughout the country, and whether he has got cooperation from the French speaking side and whether it is as promising as on the English speaking side.

Mr. SOUTHAM: The reply is yes. What we are doing here is equally being done in other cities in Canada. And the development, for instance on, Place des Arts, in Montreal, the St. Lawrence Art Center in Toronto, in Winnipeg also, in Saskatchewan, the developments are such that interested parties show that they all have common problems, problems they will solve in common, provided we all work in common, and that is what they expect to do. Everything, of course, is very slow in this field, but we do expect that working all together as we are doing, for the development of artistic programs.

Mr. TRUDEAU: We will certainly have independent units, but they will cooperate for the exchange of theatre groups.

Mr. SOUTHAM: Yes. I trust the national centre for the performing arts will be a coordinating centre for the activity of all these groups. But our experience has been very fortunate indeed. We have worked for years, the years 1964 and 1965. These were the troubled years in the history of our country, but it was of great comfort to us to find that people working on these commissions showed great interest in what was being done, and we found that the work was very creative and in great contrast to newspaper headlines. This was very encouraging indeed.

Mr. TRUDEAU: For instance, the language problem did not arise then. The French speaking groups expect they will be playing in French in the capital as they do in the French centres.

Mr. SOUTHAM: Yes. They do. I am under the impression that the National Centre of the Performing Arts will change Ottawa. I think the fact that we will have in the National Centre for the Performing Arts, the very highest type of French theatre and English theatre in Canada, will certainly have an influence on the general atmosphere, on the intellectual climate of this country, the intellectual climate of this capital.

(*English*)

Mr. MACDONALD (*Prince*): A supplementary question, Mr. Chairman. In light of this conversation, is it also the plan—and perhaps this was mentioned and I missed it—to include an instantaneous translation such as we have here throughout the theatres and auditoriums so that people wishing to view a

performance in one language, and not understanding it, will be able to have a simultaneous translation of it?

Mr. SOUTHAM: That is a very ingenious suggestion but an extremely expensive one. The short answer is no, we have not seriously looked at that. At one time, the Theatre Committee studied the possibility of creating a bilingual company. There are actors in this country who speak both English and French. Some members of the Committee thought we could create a rather exciting Canadian national theatre company which could put on English plays one evening and French plays the next. That would be something unique. But the weight of the opinion of the committee, and of others we consulted, was against this.

There is something about language in the theatre which is really untranslatable. Shakespeare, in French, is not really Shakespeare and Moliere in English is not really Moliere. We have decided, therefore, to work towards the creation of first class companies—one for English and one for French—in the hope that they will appeal, not only to those residents or visitors of the national capital who speak the language in question, but also other residents or visitors who might be interested in finding out a little bit about the other language.

An hon. MEMBER: From an expert class of people.

Mr. MACDONALD (*Prince*): I can think of two instances, though, when it might be extremely important to have this kind of simultaneous translation. I think, for instance, the showing of a motion picture film when, if you wanted to show it to people of both language groups at the same time with the use of individual earphones, you could have two sets of sound tracks. Also, for certain things in which you might want to give a commentary explanation. For example, a high school group of young people putting on a ballet. You might like to have some kind of narration to explain the meaning of the ballet, the significant points. Again, this kind of facility would be very helpful.

It seems to me that in building the kind of structure that we are establishing here, we should have the very latest kind of electronic resource to add to the facility of these various theatres and auditoria.

Mr. SOUTHAM: Both in the hall and in the theatre, there will be the latest and most sophisticated sort of electronic equipment for electronic music, for example, and sound effects and amplification. This, certainly, is already going to be built into it.

Instantaneous translation, however, calls for a piece of equipment for each seat. We faced up to the decision about that in another context. At the early stage we were asked to decide whether this place could be used as a convention centre. It was our advice, and the government took the advice, that this should not be designed for a convention centre as the requirements are quite different. We wanted to build an opera house and a theatre and concentrate entirely on making the best possible opera house or the best possible theatre. Consequently, we have equipped them, electronically, I think, quite adequately but we do not have seat by seat equipment for instantaneous translation except for certain seats set aside for the hard of hearing.

Mr. MACDONALD (*Prince*): Considering the ease with which you could install this facility now, as compared to a later date, it is something that should be considered again in the light of the many possibilities that it might present.

Mr. SOUTHAM: I am very glad you raised this. Someone has passed me a note to say that La Comedie-Canadienne de Montreal is providing this kind of equipment. As you have mentioned it, we would like to look at it. Thank you for the suggestion.

Mr. COWAN: If there are no other questions, I would like to ask a few. You stated we are now considering Vote 22. Can you not comment on the introductory remarks made by the speaker? I want to ask a question. Early in his remarks, he said that last week the government approved something and the Treasury Board passed. What was it that you the government approved? You used the words "the government approved and the Treasury Board passed". Passed what?

Mr. SOUTHAM: The Treasury Board on Thursday authorized the letting of a contract for stage three of the construction of the Centre?

Mr. COWAN: Where is the money coming from?

Mr. SOUTHAM: From the Treasury Board.

Mr. COWAN: I just wondered why we were meeting here to discuss this proposed expenditure if it has already been approved?

Mr. SOUTHAM: I think, Mr. Cowan, it is my understanding that your natural questions about the cost of the construction would be dealt with in your examination of the Department of Public Works estimates.

Mr. COWAN: I was just interested in ascertaining whether the contract had already been let before the expenditure had been authorized.

Mr. SOUTHAM: No.

Mr. COWAN: This is what I am asking.

Mr. SOUTHAM: The Treasury Board on Thursday approved the letting of the contract.

Mr. COWAN: Then who authorized the expenditure of the money?

Mr. SOUTHAM: The Treasury Board.

Mr. COWAN: I see. Parliament does not matter. Treasury Board is superior. This is what I am driving at, my friend.

Mr. SOUTHAM: I am sorry, sir. I do not feel competent to comment on the implications of the question.

Mr. COWAN: I am just trying to find out where parliament stands in the eyes of the civil service. It has not taken me too long down here. I was born in this town.

There is another question I would like to ask, in view of your remarks. You were saying there is going to be a restaurant in this cultural centre. Is this going to be open to the general public or just for the stage hands, or what?

Mr. SOUTHAM: No, we hope the Centre will be a place where people will go by day and by night. We certainly hope that the restaurant and the café will be used as any other restaurants and cafés in Ottawa would be.

Mr. COWAN: Will they be run by the government or run by a commercial organization?

Mr. SOUTHAM: By a commercial organization.

Mr. COWAN: In a government building?

Mr. SOUTHAM: Yes. It is the proposal that the corporation should let the catering concession to a restaurateur.

Mr. COWAN: Why, then, did the Canadian National Railways close down the main dining room in the Chateau Laurier?

Mr. SOUTHAM: I do not know the answer to that question, Mr. Cowan.

Mr. COWAN: I was just wondering why, if a restaurant will be a big success on one side of Sparks Street, the Canadian National Railways closed the main dining room in the Chateau Laurier Hotel on the other side.

Mr. SOUTHAM: When we were looking at the restaurant and café problem we asked a restaurateur from Montreal, a man whose business is to study restaurant possibilities, to come to Ottawa. He prepared a report which indicated that a restaurant and a café of the kind that we propose, would be commercially interesting. It is on the basis of that report that we propose to offer the concession to the restaurant trade across the country, in every confidence that there will be several people who will be interested. They will only be interested because they will agree, we hope, that it is possible to make money, if it is well done.

Mr. COWAN: You did not ask the Canadian Pacific Railways catering division for a comment on operating a restaurant in the heart of Ottawa?

Mr. SOUTHAM: The consultant in question, spoke, I think, to everybody who had operated restaurants in Ottawa. He spent some weeks at his work and prepared a report which reflected all the advice he could get. He certainly spoke to the CPR agents.

Mr. COWAN: I cannot see a government being behind a restaurant in the dead centre of Ottawa when there are eating facilities at the Chateau Laurier and the Lord Elgin Hotel. I see that a new Skyline Hotel going up which is advertised to be within a block of the parliament buildings, and the Holiday Inn is there. Why the government gets mixed up in this private enterprise field, I have not the slightest comprehension. They must be going to lose money or the government would not be given the opportunity.

Mr. FAIRWEATHER: It is slightly involved in the Canadian National Railway.

Mr. COWAN: Yes, I know, that is why it was closed down; the losses were so high. So now we are going to open another restaurant on the other side of the street with, we are told today, very great prospects of success.

I remember when the Chateau Laurier Hotel was opened. I was born in this town. Everything was going to be wonderful. We were going to have money rolling out of our ears. I slept in the Chateau Laurier Hotel as a small boy the very first week it was opened.

Can we go on to Vote No. 23, Mr. Pelletier, or can I ask this gentlemen, in view of his comments, this vote of $7,500,000 for the construction or—

The CHAIRMAN: No, that is the next item. I am afraid we have to decide that the Vote No. 22 will be carried.

Mr. COWAN: I would like to ask another question. Why did the Metropolitan Opera of New York City stop coming into Toronto, a city of two million population? It played there for eight or ten years under a financial guarantee from the Rotary Club?

Mr. SOUTHAM: I think the Metropolitan Opera, like other leading national opera companies, has become more and more expensive and, therefore, travels less and less. The Metropolitan Opera used to tour the United States. I do not think it does travel out of New York now, unless I am mistaken.

Mr. COWAN: Does it not indicate a dropping interest in this long-haired program?

Mr. SOUTHAM: Not at all, no. The Metropolitan Opera, in order to produce less expensive opera performances, has started what is called the Metropolitan Opera National Company, which is a Company of young singers which does travel and is really organized to travel. That was the company that played here under the auspics of the Theatre Foundation of Ottawa last December. It is not the Metropolitan Opera but it is a young company, started by the Metropolitan Opera, to meet the growing appetite for opera at less expense.

Mr. COWAN: Of course, talking about the growing appetite at less expense also indicates there is a limit to what the public is willing to pay for this kind of entertainment.

Mr. SOUTHAM: That is right.

Mr. COWAN: Although the grandiose schemes that are put before us would have us think the people would sell their souls to look at some of these programs.

I would like to ask another question. Will there be any regulation on the Board of Trustees of this cultural centre for the arts to ensure that there is a certain limit of Canadian content? In the broadcasting world, as you know, we ar not allowed to look at 100 per cent foreign programs. We must have a Canadian content in there. I would hate like hell to have millions and millions of dollars spent on this cultural centre for the arts and not have 55 per cent Canadian content. Surely they will not give us the right to 100 per cent foreign content on this Canadian cultural centre for the arts, will they?

Mr. SOUTHAM: There is certainly no intention to put any limit on the source and origin of the artistic performances at all.

Mr. COWAN: No tariffs on culture?

Mr. SOUTHAM: No.

Mr. COWAN: If this Canadian content rule is a good thing for the broadcasting and television world, would it not be a good thing for the performing arts too? It cannot be wrong for one and right for the other? We have professional football now, where 90 per cent of the players are American. That is called Canadian content, though.

An hon. MEMBER: There is no such rule in the CBC.

Mr. COWAN: That is performing arts. At least I call pro-football performing arts.

Mr. SOUTHAM: I think the National Arts Centre will, naturally, give priority to the development of the resident companies and to the bringing here of the best Canadian companies from other cities, to the extent that the performers will probably be Canadian. I suppose that makes it, in one sense, a 100 per cent Canadian production. But the plays they play or the music they play may very well be Italian or Russian but, even so, the activities within the

Centre will not be limited there. I should think commercial impresarios will probably, as I have explained, bring in foreign attractions, more particularly.

I would very much hope that the corporation would not take up a narrowly nationalist view of what constitutes artistic activity. Its only concern should be excellence in performance, I would say, and quality.

Mr. COWAN: If we need to have a restaurant in connection with this cultural centre of the Arts, how long do you think it will be before they have a restaurant at Stratford to go with the Shakespearean festival?

Mr. SOUTHAM: You have put your finger on something which touches us all. I go to Stratford every year and I share your feeling that they need a good restaurant there.

Mr. COWAN: What I am trying to point out is that long-haired entertainment does not necessarily mean a restaurant will be profitable.

Mr. TRUDEAU: Is a restaurant without precedence in such art centres?

Mr. SOUTHAM: No. The Metropolitan Opera in New York has a restaurant. The Stockholm Opera has a restaurant. The best restaurant in Stockholm is in the Opera House.

Mr. COWAN: I have only one other comment to make, sir. It is not a question but it relates to Mr. MacDonald's question. I think it would be a real Canadian achievement if we could have this simultaneous translation into English and French of Russian, German and Italian productions when they are brought here to Ottawa. We will show the world what high society entertainment is, once we get translations into English and French. I would like to hear Il Travatore being simultaneously translated or Caruso when he was at his best.

Mr. SOUTHAM: I think it is a wonderful idea. It sounds, off the cuff, a very expensive idea but if I sense that that is the feeling in this Committee, I will be able to report that to the corporation and they will certainly approach the idea with courage.

Mr. COWAN: With a name like "Southam", sir, perhaps you could give us a moment or two of the history of what happened to the Russell House here.

Mr. SOUTHAM: It burnt down.

Mr. COWAN: From the peak of productions?

Mr. SOUTHAM: No. But, you know, something went out of Ottawa when the Russell House burnt down, that has not existed since. This has not been a city, in the full sense of the word, ever since the Russell House was lost and I think we will become a city in the full sense of the word when we have a concert hall and a theatre.

Mr. COWAN: Would you allow me to say, as a native-born Ottawan, that more went out when our team dropped out of the National Hockey League?

Mr. SOUTHAM: Yes, that also.

Mr. COWAN: Thank you.

Mr. RICHARD: Does Item 22 apply only for the current year?

Mr. SOUTHAM: They are just a projection of the expenses for the current year.

Mr. RICHARD: They would not bear any relation to the future, of course?

Mr. SOUTHAM: No.

Mr. RICHARD: I suppose there is not much use in trying to project either what would be the annual cost or deficit of the operation of the centre at this time? I suppose that should be left to a future date. You have not made any calculations in that way yet, I suppose?

Mr. SOUTHAM: We have been making estimates but I would hesitate to release them because they are based on a series of programs that only remain possibilities until we meet with the corporation and they take certain decisions. I think, probably, the annual operating budget of the National Arts Centre will be in the order of the budgets of the National Gallery, the National Library, the National Museum. It is in that order of expenditure.

Mr. RICHARD: I can quite appreciate that an arts centre like this at the present time may be projected or built or thought out in accordance with the educational tastes of a generation of people of, for example, over 35 at the present time. I hope that it is in the thought of those who are the directors or trustees of the future or the president of the future, that they will find some way to co-ordinate that with the tastes of the younger generation so as to make them habitués of the Centre, and not try necessarily to maintain the tastes of our age.

Mr. SOUTHAM: I think you have put your finger on something that is of crucial importance to this. Because the Russell House burnt down, I think there has been a lost generation in Ottawa to which, perhaps, we belong. People of our age, who have lived in Ottawa for the last 30 years, have not had the sort of exposure to the lively arts that we should have had and it may be too late, really, to develop a profound taste for these things in our generation.

But what I have seen, all across this country, is that young people are very keen and Les Jeunesses Musicales movement, the National Theatre School in Montreal, the National Ballet School in Toronto and the associated activities, at that age level, all show an enormous amount of talent among young people and of interest among young people for their performances. I would hope that this Centre here will be oriented particularly towards seeing that our young people, when they grow up, grow up just that much better than we are.

Mr. MACQUARRIE: Then they will probably have some say in the development of the theatre too or the arts centre?

Mr. SOUTHAM: Yes, I think one of the results of the form of organization we have envisaged should be that the Board of Trustees will not do everything. There will be the involvement of the community through the resident organizations. Where theatre is concerned, it should reflect community involvement, not only that of French and English, but also in terms of age level too. Young people should be on that Board. The theatre society probably should have not only top professional companies but also young companies so that young people would be involved in working out the direction of the society and also, through its activities, in the performance of the companies.

Mr. RICHARD: That is always my impression about these groups. We must not continue the impression, that the young people will not fall for it, that such organizations as art centres of this type should belong to the type of people who have probably reached a certain age and act only as patrons and have very fixed ideas.

Mr. SOUTHAM: I absolutely agree.

Mr. MACQUARRIE: I have just a small question, Mr. Chairman. Mr. Southam mentioned, I believe, that it was not to be used as a convention centre. Did you mean that some of the rooms therein would not be available for lectures, gatherings or perhaps even for some political parties and so on?

Mr. SOUTHAM: No. What I meant, Mr. Macquarrie, was that we were not going to design it that way. Actually, if you were designing a convention centre, you would not design an opera house or a theatre. The shape of the rooms, and the ancillary facilities must be quite different and we decided not to modify the design of a good opera house or the design of a good theatre in order to meet that sort of requirement.

Mr. MACQUARRIE: This was on physical considerations?

Mr. SOUTHAM: That is right. Of course, the building will be available, when it is not being used for its primary artistic purposes, for use by anyone who would like to use it.

Mr. MACDONALD (*Prince*): Just one more small question. I was glad, when we talked about the performing arts, you included the performing art of eating as one function of this centre, in terms of the restaurant. I, myself, am glad that the restaurant is incorporated in this structure.

I am wondering if, in your thoughts concerning the restaurant itself, there will be some opportunity given to the facility of, for example, presenting certain kinds of performances in the restaurant. For instance, I can think of certain kinds of folk music which might be quite appropriate to a restaurant setting. We would need a certain kind of accommodation if it were to be presented effectively. Is this in the thinking of the design?

Mr. SOUTHAM: Yes, we are having a restaurant in which, like any other restaurant I suppose, there might be a musical accompaniment. It is possible that there could be a piano or something of that kind. But a restaurant is a restaurant.

The kind of activity you are thinking of, I think, is what we have in mind for the cafe, which will be more popularly priced and, we hope, made a place of resort particularly attractive to young people. The design is going to be quite different. The management arrangements will be different but we would hope that there, there could be folk singers and, I hesitate to use the word "happenings" because I do not quite know what it means—some happenings are rather alarming—but a more lively and informal atmosphere will, we hope, prevail in the cafe.

Mr. MACDONALD (*Prince*): So it will combine both the performing art of eating with these other things. Is it also in the thinking to include very good hifidelity equipment in these eating places so that really good music can be used as background to the restaurant and cafe.

I am reminded, for instance, of Japan where, in a lot of restaurants, symphonic works, and what have you, are played in place of the popular music we would normally hear in this country. I think this might be a real possibility, provided that the reproduction equipment was really of a first class quality.

Mr. SOUTHAM: I may be wrong, but I think there is not to be this type of equipment in the restaurant or the cafe. If there is music or singing there, the

rooms are small enough for the sound to come to the public direct. We looked briefly at the idea of a sort of music by Muzak arrangement—soft music in the background—and ruled it out.

Mr. MACDONALD (*Prince*): I am not thinking of that though. Since this will be a unique place to go, either formally or informally, I am thinking that possibly it might be quite an addition to have hifidelity reproductions available of first class recordings and tapes, since you cannot always have live performers there. It is possible, in this day and age, to have reproductions just about as good as the live music itself. This, I think, would have considerable appeal in its uniqueness.

Mr. SOUTHAM: I think that represents the second suggestion which we will thank you for and look into.

Mr. PRITTIE: You should have met Mr. MacDonald two years ago.

Mr. TRUDEAU: But you will bear in mind that there will be some places where you can eat and talk without having to listen to music.

Mr. COWAN: This is just an incidental question. Mr. Richard wants to know if there will be a place in this cultural centre for preaching? You and Mr. MacDonald would not be—

I would like to ask you this. I think I heard you say that early in 1966 you went underneath Laurier Avenue and completed a space for garaging cars there?

Mr. SOUTHAM: Underneath the Mackenzie King Bridge.

Mr. COWAN: Is that garage being used now?

Mr. SOUTHAM: No. The garage, which is only partly completed, will be used by the contractor during the construction period for the storage of material. The garage will only become available to the public when the building itself does. When the contractor moves out.

Mr. COWAN: Why does the contractor have to have first need of that garage space?

Mr. SOUTHAM: The phase three contractor should be getting onto the site early in July next, within two or three weeks, and will need it then, I should think.

Mr. COWAN: I was interested in Mr. Richard's suggestion, some weeks ago, that that hole in the ground could be turned into a public garage and used that way for at least the next two years. Surely, they could make the foundation and the roof of the garage heavy enough that they could put the superstructure on top of it without finding it necessary to freeze that hole in the ground completely for the rest of the building time?

Mr. SOUTHAM: Our advice has been that the contractor will be moving a great deal of expensive equipment and materials onto the site as soon as he starts to work. He has cost free storage in the garage and he will need it all.

Mr. COWAN: Since the Treasury Board has given consent already for Vote 23, why do they wait for any further consent from parliament? Why do they not go right ahead?

The CHAIRMAN: Do you have any further questions?

Shall item 22 carry then?
Item No. 22 carried.
I will now call Item No. 23.

SECRETARY OF STATE
National Arts Centre

23. Construction or Acquisition of Buildings, Works, Land and Equipment $7,500,000.

Mr. COWAN: Is Item 23 just interim supply? As long as it is known as interim supply and not a permanent vote.

The CHAIRMAN: I am advised by the witness that, on Item 23, he could not answer most of the questions members might have, since the Department of Public Works is in charge. So that it is either a question of letting the item stand and having later, at your convenience, someone from the Department of Public Works who could answer the questions or taking the view that the Department of Public Works will have to answer about this before another Committee. I do not know.

Mr. STANBURY: Mr. Chairman, this is simply the amount of money that is expected to be required during the current year and it is based purely on a lump estimate. Details of it could not be given anyway. We will, on other occasions, have a chance to see the complete cost and how it is made up. It does not seem to serve any useful purpose to go into it.

The CHAIRMAN: Should Item No. 23 carry?

Mr. COWAN: Can we find out how much it cost to make that hole or is that under the Department of Public Works?

Mr. SOUTHAM: That is under the Department of Public Works.

The CHAIRMAN: Item No. 23 is carried.
Thank you, Mr. Southam.
We will now consider the estimates of the National Gallery of Canada, which can be found on page 288, with details on page 289.

Mr. MACDONALD (*Prince*): Mr. Chairman, I would first of all, like to thank Mr. Southam for coming here this afternoon and giving us a very lucid interpretation of what is taking place at the National Arts Centre.

Mr. SOUTHAM: I have enjoyed it very much. Thank you.

The CHAIRMAN: I will now call Item 1, Administration, and ask the Director, Dr. Jean Boggs, if she wishes to make an opening statement.

NATIONAL GALLERY OF CANADA

1. Administration, Operation and Maintenance including the payment of $500,000 to the National Gallery Purchase Account for the purpose of acquiring works of art in conformity with section 8 of the National Gallery Act, and grants as detailed in the Estimates. $1,857,200

Miss JEAN S. BOGGS (*Director, The National Gallery of Canada*): I think, since the hour is rather late, I will not make a very serious opening statement.
I feel, of course, very strongly about Museums of Art, in general, and about the National Gallery in particular, and I am quite happy to defend its role in Ottawa and Canada and beyond.

I think one thing everyone here should realize is that it is perhaps unique among galleries in the world in feeling not only responsible for the past, but for the present, and not only responsible for the capital but for the total country. This national conception is something we have to bear very strongly in mind. It is certainly part of the estimates themselves.

I have been here less then two weeks and one thing I should make clear, of course, is that I am not responsible for these estimates and I might preface our examination of them by saying I feel they are very modest indeed.

Mr. STANBURY: Mr. Chairman, I think we should take the opportunity to welcome Dr. Boggs on behalf of all the Committee. I am sure we will not have a more attractive head of any board or commission. Or a more competent one or more welcome.

I wonder whether there has been any indication given to Dr. Boggs, or whether she has any observations on the acquisition by the Gallery of a proper and adequate home some time in the near future?

Miss BOGGS: I have not discussed this with the Department of Public Works. We do expect to have one and I hope, in my most pessimistic moments, that we will begin one by 1975. I hope you will help me get there.

We need the space very badly. We already have to rent space for the storage of pictures. Our office space is crowded. We have problems with exhibition space as well. If any of you have seen our restaurant, which is run by the Canadian National Institute for the Blind, you will know that we have problems there with space, as well as with the quality of food. We really do have a serious need to move from that building to another.

Mr. STANBURY: One thing that has struck me about the gallery is the utter frustration of being unable to get anything to take home with you that is a reflection of what is in the gallery. It strikes me that very few of the paintings in the gallery are available in reproduction and, what are available, are displayed in the most inadequate way.

I would have to contrast this with what is available in the National Gallery in Washington, where I think, a very wide range of reproductions of works is displayed. Is there some problem here, about this? Or is it just something in which we have not taken sufficient interest?

Miss BOGGS: The National Gallery is not responsible for that sales desk. It is the property of the Queen's Printer.

Mr. STANBURY: Who determines what is reproduced and available?

Miss BOGGS: To some degree, the National Gallery, in co-operation with the Queen's Printer. As you probably see in the estimates it is a kind of joint project, I gather. I will turn to Dr. Dale who acted as Director for a year. That is right, is it not? It is about a fifty-fifty arrangement?

Dr. WILLIAM S. A. DALE (*Deputy Director, National Gallery of Canada*): The National Gallery does initiate publications and reproductions but I would say that a large share of the production costs are from the Queen's Printer.

Mr. STANBURY: Is there any problem, from the point of view of copyright, in reproducing any or all of the works the Gallery holds?

Miss BOGGS: There could be a problem in copyright. Now, with anything we buy, we buy the copyright as well as the work of art itself. It is possible that things bought in the past were not bought by that arrangement.

The whole question of the copyright of works of art is a very difficult one and one I would prefer, at the moment, to avoid. Yes, it is a problem or could become one.

Mr. STANBURY: My concern at this point is simply to try to see how the benefits of the Gallery can be spread more widely among the public. One of these ways seems to me to be to make reproductions more readily available, particularly reproductions which are representative of the works there. The presently available ones certainly do not represent the works there.

Another service, which is available in Washington, is the electronic tour service which, again, makes a Gallery much more completely accessible and understandable to the public. Is there any thought being given to means such as this to, in effect, open the gallery to greater public enjoyment?

Miss BOGGS: Yes, there is. First of all, in answer to your first question, we are also very much concerned about the problem of reproduction of the works in our collection and of making them accessible to the public in Ottawa, as well as also distributing them across the country. It is a matter of consideration already, even in my less than two weeks at the Gallery.

In answer to the second question, yes, there is even a figure of $5,000, I think, in this budget for that kind of electrical equipment, the kind you mentioned. There are, however, problems which we have and which the National Gallery in Washington does not.

The National Gallery in Washington never lends a picture—or almost never lends a picture, except by an Act of Congress. We lend pictures constantly. We have over 40 exhibitions circulating through this country, a great many of them made up from our own collection. If there is an exhibition in Regina and they want to borrow a work from the National Gallery, we do everything we can to lend it to them. This means there is a hole in the wall which breaks the sequence in the use of electronic equipment. So there are a great many arguments for our use of docents, as we call them, human guides to take people through the gallery, instead of electrical equipment.

Mr. STANBURY: It seems to be a problem of traffic more than anything. The solution would not be too difficult, I suppose.

Miss BOGGS: It is a problem of traffic. It is so much easier with the electrical equipment. They can go all day.

Mr. STANBURY: You mentioned lending pictures. At present, you do not lend pictures to the public, as some galleries do?

Miss BOGGS: No, we do not.

An hon. MEMBER: National Galleries do not.

Mr. STANBURY: I do not know whether any other national galleries do but many galleries do have loan services and my impression was that at one time, at least, the National Gallery did. I recall hearing, for instance that pictures from the National Gallery were loaned to parliament. I think there are still some in the parliamentary dining room but perhaps nowhere else.

Miss BOGGS: I thought you meant loans made to private people.

Mr. STANBURY: Not necessarily simply to private individuals but to government offices.

Miss BOGGS: There is a possibility of our doing it to government offices and we do lend a great many pictures, for example, from the war collection to military messes all across Canada. There these situations are exceptions to the regulation of not lending.

Mr. STANBURY: Offices of members of parliament are among the exceptions, I am quite sure.

Miss BOGGS: I think you would have to provide for a very large budget, for a large staff, in order to administer this. I think it is more of an administration problem than anything else. It means sending men, and we have very few, to your offices to hang the pictures. It means, perhaps, insuring them—I do not know if this would be necessary—and worrying about their protection as they are not, as you know, insured.

Mr. STANBURY: It would relieve your storage problem.

Miss BOGGS: It would relieve the storage problem and it is, perhaps, a very good idea, but I have not considered all the ramifications.

Mr. STANBURY: Mr. Chairman, I am glad to hear that some thought has been given to widening the horizons of the gallery in terms of public exposure. That is all I wanted to say at the moment.

Mr. FAIRWEATHER: A good many people in Canada missed the 1966 calendar. In other years the Gallery calendars were very popular.

Miss BOGGS: There is one.

Mr. FAIRWEATHER: It is just a day calendar, is it not? There is not a regular calendar.

Mr. DALE: Mr. Chairman, it is true that there was a wall calendar. Is it the wall calendar you are referring to?

Mr. FAIRWEATHER: Yes.

Mr. DALE: We ran into some production problems with the wall calendar and had to abandon it.

Mr. FAIRWEATHER: Is this a permanent scrapping?

Miss BOGGS: I have not thought about it. I think it is a very good suggestion. We will give some thought to it again.

Mr. FAIRWEATHER: It rather fits in with Mr. Stanbury's question about getting some of the treasures you have across the nation.

The other thing is, I have noticed the criticism about United States acquisitions or lack of them. Presumably this might change?

Miss BOGGS: It is something to which we will give attention.

Mr. FAIRWEATHER: I have no other questions.

Mr. MacQUARRIE: In recent years, we have seen happily, the opening of galleries in various parts of the country. Are you developing a closer liaison with such centres as Charlettetown and Fredericton? Is this another way in which you are being more broadly national?

Miss BOGGS: It is a very important way. I would like to go across Canada within the year. Various members of the staff also go across the country,

particularly Mr. Jean-Paul Morisset, who is in charge of Extension Services. I think he, more than anyone else has travelled and seen these museums and established a very close liaison with them.

Mr. MACQUARRIE: Do you have people from their galleries at the National Gallery?

Miss BOGGS: Yes. They come fairly frequently.

Mr. MACQUARRIE: And you do a good deal of lending?

Miss BOGGS: Yes.

Mr. RICHARD: Have you an enlarged budget for this year for the purchase of new paintings or works?

Miss BOGGS: Yes. The basic budget is larger than it was the year before although, if you look at the figures on the appropriation, it looks smaller. On page 290, the amount given is $500,000 for this year and it was $692,000 the year before. The actual regular budget the year before was $300,000 so parliament granted $392,900 to buy three works of art from the Spencer Churchill collection at auction.

Mr. RICHARD: Does that mean that if you recommended the purchase of certain paintings, you would have to get a special vote, supposing something cost $750,000?

Miss BOGGS: That is right. If we knew that a picture was coming up at auction for $750,000, Miss LaMarsh would have to take it to parliament.

Mr. RICHARD: While you are operating within that budget?

Miss BOGGS: That is right, yes.

Mr. RICHARD: That does not get you too far.

Mr. COWAN: Miss Boggs, you spoke about there being 40 travelling exhibitions out now. Are those 40 travelling exhibitions on an annual basis or are you calling an exhibition something like, for example, if the Women's Art Gallery of Wetaskiwin, Alberta, wanted to borrow 15 paintings this year? Would you count that a travelling exhibition in 1966?

Miss BOGGS: No. These are exhibitions which are arranged at the National Gallery for distribution. They have some kind of catalogue to go with them. We hope to develop the material assembled with the exhibition more fully than has ever been done before, so that slides and recordings and other things, will go with the exhibition itself.

If any of you are interested, those exhibitions are being packed and crated in the basement of the gallery at this moment. It is fascinating to see what variety there is among those exhibitions. There are medieval brass rubbings, for example, or a photographic study of the architecture of Arthur Erikson, or there are Alex Colville's war works, an exhibition of the Canadian Society of Graphic Arts, the Massey Collection in two parts, Fitzgerald's drawings, Henry Moore's five sculptures and 31 photographs, Klimp, who is that really interesting Viennese artist, or modern Spanish painting, Tom Thomson's sketches, Town and McEwen; other exhibitions which will be at the National Gallery itself but will go on beyond it; a German artist called Gramatee, Jack Humphrey, a photography exhibition Lartigue and Lawson.

Mr. COWAN: I would much rather see art travelling throughout Canada than spending millions of dollars here building a big building in which to hang them, so that people have to come from Vancouver Island and Newfoundland to see it. It is easier to take art to the people than the people to art.

What I would like to ask you is, will these 40 exhibitions in 1966 be the same 40 exhibitions that are on display in 1967 and 1968? Are they on an annual basis or is it just hit and miss that you happen to have 40 at the present time?

Miss BOGGS: Actually, I think there are over 40. Of that, I am not certain. I believe there are at least ten new exhibitions a year, with additional staff, we hope to make it 20. With all these new art centres established across Canada, there is an increasing demand for these exhibitions.

Mr. COWAN: Do you send any of the pictures that are in the basement of the building, around about Ottawa to, say, high schools who have 2,400 enrolments? There are many of them throughout the country today. You could loan them the pictures for four to eight weeks during each term and ship them from the big high schools in Toronto to the big high schools in Hamilton and in London.

Miss BOGGS: We have thought of having travelling didactic exhibitions to go to schools, to shopping centres, and to other places where they cannot provide the kind of protection we need for this sort of exhibition.

We do have to worry about things not being damaged or lost but there are substitutes for schools and I think we should and must do more in that direction than we have done before. We must do it in collaboration with the Departments of Education of the provinces concerned. We can do very constructive things by working with them.

Mr. COWAN: The question I was asking is are these travelling exhibits on a permanent basis or is it a hit and miss thing, year by year?

Miss BOGGS: I am sorry. Yes, they are permanent, if you mean that there are always exhibitions sent out from the National Gallery. I thought you meant, are they the same exhibitions year after year.

Mr. COWAN: If art work is sent out for a four week display say in Brandon, Manitoba, then Dauphin, Manitoba, and then Virden, Manitoba in 1966, will there be an art display in Brandon, Manitoba, Dauphin, Manitoba and then Virden, Manitoba next year on the same basis?

Miss BOGGS: If they are interested, yes.

Mr. COWAN: Only if they are interested, not because the National Art Gallery is sending them out there?

Miss BOGGS: The National Gallery sends out lists with descriptions of the exhibitions to the appropriate people.

Mr. COWAN: You are saying that the demand for the pictures must be there before you send the pictures. You do not send the pictures out to create a demand. I would rather you sent the pictures out to create the demand than wait for the demand. I can think of some places in New Brunswick that will never ask for a picture.

Miss BOGGS: They have to be prepared to receive them. We cannot just send pictures to a museum which does not want them.

Mr. COWAN: You could send the people to the art gallery to see the exhibits and create the interest, rather than wait for the interest to be created.

Miss BOGGS: That we must do. You are quite right that we must do far more in arousing interest throughout the whole country.

Mr. COWAN: You are the Director of the Art Gallery and, while you are here, and this man is over here, I would like to tell you that one of my pet peeves against new Brunswick is that down in Fredericton they have one of the two original elephantine editions of Audubon's works and they will not let it out of Fredericton. If you could get that on a travelling exhibit throughout Canada, you would make a name for yourself. They hang on to it down there and say, "if anybody wants to look at one of these two original elephantine editions of Audubon's, you come to Fredericton." I think it would be so much more generous if those people would let those pictures go throughout the country on a travelling basis.

Miss BOGGS: It is possible that we could also work with other institutions in Canada to circulate for them what they have.

Mr. COWAN: I think there is much greater possibilities, from an educational standpoint, in having these travelling exhibitions going around the country, without waiting for the demand to be there, than there is in storing them in buildings here in Ottawa.

Of course, you have been here only two weeks and Ottawa has got you pretty well in its grasp. You are asking for more money already. I hate to think what you will be asking for a year from now. I do not think you will have any trouble getting it.

The CHAIRMAN: Shall Item No. 1 carry.

Item No. 1 is carried.

The Committee will be interested to know, and Mr. Cowan particularly, that Mr. Barry MacDonald of the Canadian Broadcasting Corporation, has sent us the breakdown that shows the division between live and film operations. This was asked for on May 24.

Mr. COWAN: Is that a television breakdown?

The CHAIRMAN: I am sending you five copies of a breakdown of operating hours on CBC English and French television station of CBC English and French television networks. The breakdown shows the division between live and film operations. There is a copy, if you want one.

Mr. COWAN: Can we have a similar breakdown for radio, for our records?

The CHAIRMAN: I must confess I did not have time to study it. If there is another request to convey to them, you just tell us.

We had first planned to have a meeting of the Committee tonight but the steering committee has to meet at 8:30 o'clock in room 465 so the Committee will not be sitting tonight. The Committee will meet next Friday. Owing to the difficulties we have of having the officials before us, we do not know yet who is going to appear. As soon as we know we will let the Committee members know. That is all.

Mr. MACDONALD (*Prince*): How soon can the Committee expect to consider a draft of the steering committee's interim report?

The CHAIRMAN: Realistically, I think not before next Monday. If the steering committee could agree on a draft this week and be in a position to present this draft to the Committee next Monday, I think this will be about the best we can do.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. GÉRARD PELLETIER

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 22

FRIDAY JUNE 17, 1966

Main Estimates (1966-67) of the Department of Public Printing and Stationery

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WITNESSES:

From the Department of Public Printing and Stationery: Messrs. Roger Duhamel, Queen's Printer; L. J. Walsh, Chief Financial Services; and G. L. Ward, Chief, Purchasing Division.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24596—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Gérard Pelletier

Vice-Chairman: Mr. Ron Basford

and

Mr. Asselin (*Charlevoix*),	Mr. Langlois (*Mégantic*),	Mr. Prittie,
Mr. Béchard,	Mr. Lewis,	Mr. Prud'homme,
Mr. Berger,	Mr. MacDonald (*Prince*),	Mr. Richard,
Mr. Brand,	Mr. Mackasey,	Mr. Sherman,
Mr. Cowan,	Mr. Macquarrie,	Mr. Stafford,
Mr. Fairweather,	Mr. McCleave,	Mr. Stanbury,
Mr. Hymmen,	Mr. Munro,	Mr. Trudeau—(25).
Mr. Johnston,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, June 17, 1966.
(37)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Basford, Brand, Cowan, Mackasey, Macquarrie, McCleave, Pelletier, Prittie, Stanbury, Trudeau (10).

Member also present: Mr. Grégoire.

In attendance: From the Department of Public Printing and Stationery: Messrs. Roger Duhamel, Queen's Printer; L. J. Walsh, Chief, Financial Services; P. E. Meunier, Chief, Administrative Services; G. L. Ward, Chief, Purchasing Division.

The Chairman presented the *Tenth Report of the Subcommittee on Agenda and Procedure*, dated June 17, as follows:

Your Subcommittee recommends that:

1. The document entitled, "Answers to some current questions about 'Seven Days', from Douglas Leiterman, May 30, 1966", previously distributed to all members of the Committee, be not now tabled.

2. That the request that the Chairman of the B.B.G. be called, be deferred until later in the committee's deliberations.

3. That the following Estimates, be considered as listed below:

Friday, June 17—Public Printing and Stationery

Tuesday, June 21—Centennial Commission

Thursday, June 23—(In camera) to consider report to the House re: "Seven Days"

Monday, June 27—1. National Library of Canada
2. Public Archives
3. National Museum

Tuesday, June 28—1. Representation commissioner
2. Civil Service

On motion of Mr. Basford, seconded by Mr. Prittie, the Tenth Report was adopted.

The Committee then proceeded to the consideration of the Estimates for the Department of Public Printing and Stationery, and the Chairman called Item 1, Departmental Administration.

The Queen's Printer, Mr. Roger Duhamel, after introducing his officials, made a statement explaining progress in changes and operations of his Department.

24596—1½

Mr. Duhamel was examined on the operations of his Department, assisted by Messrs. Walsh and Ward.

The examination of the witnesses still continuing, at 10.55 a.m., the Committee adjourned until 3.30 p.m. on Tuesday, June 21.

M. Slack,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

FRIDAY, June 17, 1966.

• (9.45 a.m.)

(English)

The CHAIRMAN: We will now discuss the estimates of the department of Public Printing and Stationery which can be found on page 386 of the Estimates with details on pages 387 to 389.

I will now call item No. 1, Departmental Administration, which reads as follows:

1. Departmental Administration, $244,700.

Mr. PRITTIE: I would like to ask the Queen's Printer as an introduction to explain to the Committee the current position of his department and the related departments. I looked over the last two or three annual reports and I see there has been quite a bit of transferring around of the functions between the Department of Industry, the Department of Defence Production and the Department of Secretary of State, and I think it would clarify things for the Committee if the Queen's Printer at this point could tell us what he is responsible for now and what he is not responsible for now. He knows what I mean.

(Translation)

Mr. Roger DUHAMEL *(Queen's Printer)*: Mr. Chairman, gentlemen. First of all, I would like to introduce my colleagues, Mr. Lionel Walsh, Chief Financial Services, Mr. G. L. Ward, Chief, Purchasing Division and Mr. Paul Meunier, Chief, Administrative Services. I have no opening statement to make, but at the request of any members of the Committee Mr. Prittie, I am quite ready to explain as briefly as possible the changes that have taken place. For those who would like to receive further details, I would refer them to the Annual Report for the fiscal year which ended March 31, 1964. For a few minutes, gentlemen, I shall now sum up very briefly, the progress of operations or changes.

Pursuant to the Glassco Commission Report, the commissioners had recommended the division as regards the national printing services, between the mechanical services, the printing services, typographical, linotype operation, binding services, etc. that should be separated from the publishing end. At that time, there was an Order in Council of July 25, 1963, according to which the duties were specified and stipulated. For a few months, the entire department, which is known as P.P. & S., was transferred to the department of Industry. It was during that period that the split took place. In other words, everything that pertains to the purchasing of paper, typewriters, equipment, etc., remained under the general purchasing division of the Department of Defence Production.

Printing—and when I think of "Printing" I mean the actual, physical process of printing—also comes under the Defence Production Department. I do not want to waste your time, but what I want to sum up is to say that you have two different operations now. You have on the one hand, the Canadian Government Printing Bureau, which is a branch, responsible to the Defence Production Department. And in parallel with that, you have what we call the "proposed Queen's publisher" because the necessary Act has not been adopted yet, though it is prepared and in the hands of the Cabinet. I do not know what fate it will have. But this "Queen's Publisher Office" is answerable to the Secretary of State. Now, as the Act has not been amended, there is still this paradox, if you like. I must sign my documents as Queen's Printer, even though there is now a fact that there is no longer a Queen's Printer, but there will be, as will appear, a Queen's Publisher. As the law has not been amended, the P.P. and S. Act still comes under the Secretary of State, and it is only by the Transfer Act of duties that the two departments can function. Some last few words, and then I will answer any questions that you would like to ask me. When we speak of a split, let me explain, the Printing Bureau as such has evidently a working agreement with the Queen's Publisher. By that, I mean—let us take an example—the most striking example, in fact, albeit the simplest one. With regard to all parliamentary papers, such as *Hansard*, or the reports of your committees. I do not have the necessary authorization to have them printed in Halifax or Vancouver. That is work which is obviously reserved for the Printing Bureau, for obvious reasons it seems to me.

Just one last word. When we receive. . . you are aware that we have a single category of customers, they are the various departments of the Canadian Government and the agencies. We are a service department. We do not take any action on our own, we receive requisitions and we carry out the necessary work. So, when we receive a requisition for any given job, we have an agreement, we send this request to the Printing Bureau, and that bureau, within a given period of time, tells us: "We will carry it out." And they keep it or they tell us: "We will not do the job", and then the requisition goes to Mr. Ward, who is the purchasing agent, and who calls for tenders and looks after all the necessary procedures to farm out this printing.

I do not know, if I have answered Mr. Prittie's question.

(*English*)

Mr. PRITTIE: I think so. I think I understand it. Mr. Chairman. The Canadian government printing bureau then puts out a separate report each year quite apart from yours—

Mr. DUHAMEL: Quite exactly, Mr. Prittie.

Mr. PRITTIE: You just have explained that they do some of the printing which you require and you put out the other printing to commercial tender.

Mr. DUHAMEL: That is correct.

Mr. PRITTIE: Do you want to proceed with the general questions now, Mr. Chairman. If I may I will go ahead with one or two others.

I was looking at the general headings of your report.

Mr. DUHAMEL: Which one, Mr. Prittie?

Mr. PRITTIE: The one I have not mentioned, 1965. Is that the last one?

Mr. DUHAMEL: Yes.

Mr. PRITTIE: "The prints procurement division, the publishing production division and the purchasing division". Now, is the publishing production division the one responsible for getting work done by outside—

Mr. DUHAMEL: Yes. We have in the publishing production division the art designer, the layout man, the copywriters, and all these people. They prepare the specifications for the commercial printers.

Mr. PRITTIE: Now, is the purchasing division the one then that makes arrangements for outside publishing?

Mr. DUHAMEL: That is correct.

Mr. PRITTIE: Thank you.
Do your book stores come under the heading of sales and publications?

Mr. DUHAMEL: Yes.

Mr. PRITTIE: I notice here "mailing division". Do you operate services here for other government departments?

Mr. DUHAMEL: Yes; we have mailing lists.

Mr. PRITTIE: Do you charge them for this?

Mr. DUHAMEL: No; not at all. It is a service.

Mr. PRITTIE: Well, I notice at the beginning of your budget you have items listed before Vote No. 1, approximate value of major services not included in these estimates, the services given you by public works and so on. Do these other departments then show similar items for you where you are carrying out mailing services for them.

Mr. DUHAMEL: No.

Mr. PRITTIE: That is an accounting procedure but it seems to me if you show the cost of services rendered to you by other departments, they in turn should show the same thing if you are doing work for them. It is probably more of a matter for the Auditor General.

Mr. DUHAMEL: As a matter of fact, I am not aware of what they are doing; I know only my own estimates.

Mr. PRITTIE: But you are doing work for other departments, so the value of that should be shown somewhere in their budget it seems to me, but we can ask the Auditor General about that.

Mr. DUHAMEL: That is true.

Mr. PRITTIE: Well, the only other question I have, Mr. Chairman, is about the book stores which are operating in the major cities. Do you have a cost breakdown of those, the cost of running them and the amount of money taken in? I am not suggesting at the moment that they have to be profitable. I am just interested to know the difference between the cost of operating the book stores and the revenue received by them.

Mr. DUHAMEL: If you do not mind I will ask Mr. Walsh to give you the exact figures.

Mr. L. J. WALSH (*Chief, Financial Services, Department of Public Printing and Stationery*): Yes, we do have a breakdown by book shop. They do make a certain amount of profit, so to speak.

Mr. COWAN: Did you say "so to speak"?

Mr. WALSH: Well, what I mean is profit in the sense of revenues coming in.

Mr. COWAN: I just wondered why you said "so to speak." If you make a profit you do not need to "so to speak." Did it make a profit?

Mr. WALSH: Yes. We had cost reports for each particular book shop. Now, if we consider their own expenses as an operating entity, they do make a profit. However, if you were to charge them with the heat, light, rent and things of that nature, they would not make a profit. Presently we are not being charged directly with that. These charges are shown in the approximate value of major services. It is shown in there.

Mr. PRITTIE: Oh, I see, from public works?

Mr. WALSH: Yes.

Mr. PRITTIE: For example, you have one in Vancouver now which is in the second year of operation. How many people do you have on staff at that book store?

Mr. DUHAMEL: Six, I think.

Mr. PRITTIE: Well, thank you, Mr. Chairman, those are all the questions I have.

• (10.00 a.m.)

(*Translation*)

Mr. GRÉGOIRE: Simply two questions. Does the Queen's Printer send government publications free of charge to college libraries, school libraries, university libraries and others?

Mr. DUHAMEL: To answer your question, Mr. Grégoire, we are governed by the T.B. minute of the 31st of March, 1955, according to which, I do not have the French text:

(*English*)

> Except maps and charts, which he may have for sale only, the Queen's Printer shall send without charge, copies of each government publication currently listed in the daily check list as follows:
>
> (*a*) Five copies to the Library of Parliament.
>
> (*b*) Two copies to the National Library—one copy to the depository library.
>
> One copy of the same current government publication shall be sent on application "seulement sur demande"—without charge to persons and institutions as follows: Senators and members of the Parliament of Canada; Ministers of the government of Canada and their parliamentary

assistants; central libraries of each provincial legislature in Canada; public libraries in Canada; universities, law faculties and college libraries in Canada; and for debates of the House of Commons only senior high school libraries in Canada.

(*Translation*)

Which means, and you have just raised a difficult point, which has not been resolved yet and which seems to me to be quite serious. The fact that there "college" in French and in English do not have the same meaning, do not correspond exactly.

Therefore the English word "college", as I recall it, indicates a pre-university level institution where higher studies already take place. Up to the very last few years, the problem did not arise, but now with the reorganization of the educational system at all levels in the Province of Quebec, you now have central schools which are general in scope—then may be called institutes,—which will award university degrees or quasi-university degrees so that their graduates can go into higher learning. Therefore, we will have to revise the very concept of the term "college" and that is why I can tell you, Mr. Grégoire, that I am in correspondence with the Treasury Board to have this text amended. In my opinion, it is not sufficiently clear; it could, therefore, encompass more institutions where research is taking place, where reading is engaged in, by young people who are no longer adolescents, who are young people already in professional or intellectual life.

Mr. GRÉGOIRE: Mr. Duhamel, in the French text, what do they say for the English term "college"?

Mr. DUHAMEL: I apologize, I did not bring it.

Mr. GRÉGOIRE: I think the translation is "college"?

Mr. DUHAMEL: I think we say the same thing.

Mr. GRÉGOIRE: What is the objection to send our government publications free of charge to classical colleges in the Province of Quebec?

Mr. DUHAMEL: The objection?

Mr. GRÉGOIRE: If "collège classique" is properly translated by "classical college".

Mr. DUHAMEL: But I cannot commit myself, I do not have the text in front of me.

Mr. GRÉGOIRE: You also mentioned "high schools" which is equivalent to secondary schools.

(*English*)

Mr. PRITTIE: Well, I think that is the difference. The classical colleges include what we would ordinarily call senior high schools plus a term of university. If you include them in the term "college", they get all publications.

(*Translation*)

Mr. DUHAMEL: But if I may go on, Mr. Grégoire, I consider that the problem that you have just raised is an extremely important one and we have

already looked into it and it is being solved along the lines of more publications being sent out as you have suggested.

If Treasury Board, or we ourselves, seem to have been a little reluctant it is that the whole idea behind the regulations, is to avoid unnecessary expenditures.

Mr. GRÉGOIRE: What about the Écoles normales which is a teaching school, are those included here, perhaps under the term "college"?

Mr. DUHAMEL: No, I do not think so; not at this time.

Mr. GRÉGOIRE: They are branches of the faculty of education or vocational guidance.

Mr. DUHAMEL: The problem is under study, and in about six months I could give you a report.

Mr. GRÉGOIRE: Mr. Duhamel, in the circumstances do you send the same proportion to institutions in the Province of Quebec as in other Provinces, these government publications that is?

Mr. DUHAMEL: I cannot tell you, I think we have a total of 182—I did not realize I would be questioned on this subject, but I think we have 182 institutions throughout Canada, but this is an answer subject to correction.

Mr. GRÉGOIRE: How many would there be in Quebec?

Mr. DUHAMEL: I am sorry I am not in a position to answer this, I could provide you with that information in a few hours' time if you desire, it is very easy for us to obtain it.

Mr. GRÉGOIRE: My second question, Mr. Duhamel. When, for instance, we receive Committee reports in French, after the English version has been circulated, does that depend on the translation. In other words is it something that happens before your department gets the material.

Mr. DUHAMEL: I cannot tell you. When you are dealing with the printing department that does not come under me.

Mr. GRÉGOIRE: It does not come under you?

Mr. DUHAMEL: I am concerned with the various formats for instance, if Parliament decided to have a bilingual text in the same volume in two columns and things like that, these are publishing questions that concern me but the actual printing operation does not concern me.

Mr. GRÉGOIRE: In other words, you do not get the material before it goes to printing?

Mr. DUHAMEL: No, we have an agreement to avoid this. You understand that if it was necessary for the Queen's Publishing people to have to wait until 10.30 or 11.00 o'clock at night to get the *Hansard* to bring it to the gentlemen who will put it on the machine we try to short circuit it.

Mr. GRÉGOIRE: With regard to the Canada Year Book, you remember two years ago, the French edition came out four or five months after the English edition and we were told that that was because of translation.

Mr. DUHAMEL: Yes.

Mr. GRÉGOIRE: At the present time, are we trying to publish both simultaneously?

Mr. DUHAMEL: Yes, we are endeavouring to do so. We try to reduce the time that elapses between the two. If I may just go a little further, we are trying to apply this also to other publications. There is a problem which is rather troublesome which arises and I think that all Parliamentarians will realize this. You have an important document which is drafted in English, it is sent out to the translation services. Like almost everybody else they are short of staff, they need time to carry this out, while the English report is printed and is ready.

I have two solutions. Either I am going to keep it ready and deprive the Canadian people of information of which they may have the most urgent need just to meet the requirements of bilingualism or I will release it. Should I do this? I consider that it might be rather unfortunate to proceed in this manner. Of course, we endeavour to encourage all services who send us a copy to issue publications simultaneously and we have some publications that may appear at any time. For instance, a few years ago, The Queen's Choice, the history of the City of Ottawa, whether that appeared in March or May, that was not very important, we waited and we put out the volume in both languages on the same day, it was much easier.

But you will understand, for instance in the case of an insurance report on which all underwriters depend to revise their rates etc., even if the French Canadian companies from Montreal phone me and tell me, "We want the English copy", they would even take it in German because they need it so urgently, it is a working document, and that is why, very often, you do not have simultaneous publication which of course, would be desirable.

Mr. GRÉGOIRE: Thank you Mr. Chairman.

(*English*)

Mr. BASFORD: Yes; I have a few questions, and the first two are rather simple. Apart from your statutory requirements for the distribution of *Hansard*, how many individuals subscribe to it?

Mr. DUHAMEL: Between 12,000 and 14,000 in the country, I think.

Mr. BASFORD: Out of 20 million people?

Mr. DUHAMEL: Yes.

Mr. BASFORD: With regard to the regional book stores, what effort is made to see that the publications come on sale in the book stores all at the same time?

(*Translation*)

Mr. DUHAMEL: We try, of course, but in the case of any report of an inquiry which is tabled in the House by a Minister at 3.00 p.m., it is only at that time we can start working. It is obvious that it takes more time to get it to Vancouver than to Ottawa, and, of course, there is a difference in time.

When we have more or less a moral certainty that it will in actual fact be tabled, then we can in advance, send it out to Vancouver or Winnipeg and tell our District Manager: "Do not touch it, but as soon as we send you a wire, you can go ahead and sell it". We try and ensure that all regions in the country are served at the same time, as far as possible.

(*English*)

Mr. BASFORD: I appreciate your effort in this regard but I would draw it to your attention because I get a great number of complaints from Vancouver—my area—when some important document is tabled in Ottawa and people in Vancouver cannot get a copy of it; it is unavailable. I appreciate your attention and your explanation and I would just ask you to do all that you can to avoid that situation arising, if possible.

(*Translation*)

Mr. DUHAMEL: If I may, Mr. Basford, make a supplementary comment. When it is a question in particular of reports of inquiries, if we had printed it a week before it is tabled, then Vancouver would have it in time. But the Minister precisely waits until he gets the verified copy from the Printer to table them in a hurry. In other words, he has been promising the paper for weeks in the House, and then finally when we manage to give him 50 copies, he immediately tables them. So we, with the rest that we have, we send it out. In other words, we cannot send it out in advance under those conditions.

(*English*)

Mr. BASFORD: No; except you could tell the Minister not to table it for a week—

Mr. DUHAMEL: I do not have this authority, Mr. Basford.

Mr. BASFORD: —to meet the requirements of the people in Vancouver.

Mr. DUHAMEL: If the Minister is from Vancouver it might happen.

Mr. BASFORD: The other questions I have are: What is the extent of the paper that you would purchase in one year?

Mr. DUHAMEL: This falls under the other department, I do not know anything about it.

Mr. BASFORD: Well, what does your purchasing department purchase then?

(*Translation*)

Mr. DUHAMEL: Our purchasing department buys things to be printed such as documents, for instance, but paper and ink and these things, we are not concerned with.

Mr. BASFORD: They are supplied to you or purchased by someone else?

(*English*)

Mr. DUHAMEL: The Defence Production Department handles all these problems.

Mr. BASFORD: I see. So your material is supplied to you or purchased by someone else.

(*Translation*)

Mr. DUHAMEL: By the Defence Production Department or commercial printers.

(*English*)

Mr. BASFORD: I had a great many questions on identical bids for paper.

Mr. DUHAMEL: It is not in my province.

Mr. BASFORD: Well, on the purchases that you do make of printing—I take it you do not get identical bids in printing, or do you?

Mr. DUHAMEL: Identical?

Mr. BASFORD: Yes.

Mr. DUHAMEL: Well, I do not think it has ever happened, Mr. Ward?

Mr. WARD: The occasions are very rare, sir.

Mr. DUHAMEL: They are very rare.

Mr. BASFORD: What effort is made to distribute the purchasing of printing or graphic arts across the country?

Mr. DUHAMEL: Would you mind explaining, Mr. Ward?

Mr. WARD: Not at all.

Mr. Basford, we have a list of printing equipment that is located throughout the country, and we have it broken down by press sizes geographically. When we have a requirement to deliver a printed product in, let us say, Winnipeg, and the job is suitable for 25-38 two-coloured press, for instance, we just flip over the index to 25-38, and look up all the people in Winnipeg that have that size press and we invite them to quote. If it is a national requirement, we try to spread the business from coast to coast inviting all the firms that have the necessary equipment.

Mr. BASFORD: For national requirements of national purchases how successful are you in distributing it from coast to coast? Have you a breakdown?

Mr. WARD: Yes; we do. We have a breakdown by provinces.

Mr. BASFORD: Could I have it?

Mr. DUHAMEL: This report is only for the first two months of the fiscal year.

Mr. BASFORD: Well, the report shows that Manitoba received $4,000—I am rounding these out—Newfoundland, $399; Ontario, $286,000; Quebec, $282,000 and the United States $621. Alberta, British Columbia, New Brunswick, Nova Scotia, Prince Edward Island, Saskatchewan and other countries, received none.

Would you describe that as a successful distribution from coast to coast?

Mr. DUHAMEL: It is only for two months.

Mr. BASFORD: Well, what would happen on an annual basis?

Mr. WARD: Mr. Basford, I have here a summary of the value of business distributed over the country with comparative figures for the years 1964-65 and 1965-66, which may interest you.

Mr. BASFORD: I wonder if these documents could be tabled, Mr. Chairman. I am not asking that they be made part of the record, but could they be tabled and thereby made available to those who would like them.

The CHAIRMAN: Mr. Duhamel tells me that we can even have copies for each member.

Mr. DUHAMEL: It is part of our annual report. We are just working on it now.

Mr. BASFORD: Could I suggest that in subsequent reports and subsequent tables you show the percentages, or the breakdown as a percentage of the total.

Mr. DUHAMEL: By provinces?

Mr. STANBURY: Per capita or per facilities available.

Mr. BASFORD: What effort is made to advise the industry that you maintain such an index of printing establishments or conversely what efforts does your department make to make sure that your index of printing equipment is up to date?

Mr. WARD: Mr. Basford, we depend on industry to carry the initiative. If they are interested in participating in government business they have to make representation to the department, and when they do, we ask them to complete an equipment card which outlines all the press equipment and ancillary equiment in that plant. This enables us to know what their printing capabilities are.

Mr. DUHAMEL: Commercial printers who are very alert come and see us quite often.

Mr. BASFORD: Well, seeing that you do not get any identical bids I do not have any further questions.

(*Translation*)

Mr. TRUDEAU: Could I make some supplementary observations, Mr. Chairman? I only would like to say that I do not agree with the suggestion by Mr. Basford, that is to say, that in the report we should of necessity suggest a certain percentage per province. I do not know whether that will become a recommendation or a suggestion, I hope it is not a recommendation coming from the Committee.

I have no objection to our making this calculation, but it seems to me that it is not the objective of an agency of the central government to engage in this sort of redistribution of the business of the central government taking into account percentages that are attributed to each province, because in that case we would also have to go into rather extraordinary calculations as to how much is given per capita. We would also have to take into account the percentage of equipment that there is for the printer in each province, and we would really be only getting into a function which, in my opinion, is not that of the federal government.

(*English*)

Mr. BASFORD: Well, I think it is a matter of concern to the federal government. It certainly is a matter of concern to members of Parliament when

by my own calculations the purchases of the Department of Defence Production in British Columbia amount to two per cent of the total. This is a matter of concern to me.

Mr. TRUDEAU: I agree that rightly it should be a matter of concern to Mr. Basford, Mr. Chairman, but I am suggesting that it is his job to figure out percentages or, perhaps, he can ask the department to help him figure them out if they are too complicated, but, I do not think that in an annual report the government should be embarking on this kind of, shall we say, equalization grants throughout the provinces. Surely, this is not the function of any one department like the Queen's Printer.

Mr. COWAN: You use the word "equalization." Mr. Basford and I know that in British Columbia and Ontario you use equalization to give payments to other parts of the country. I think he is quite fair in asking for a fairer division of the printing that is placed throughout the country.

Mr. TRUDEAU: I agree that he is right in asking for a fair division, but this is another question, whether it should be worked out in percentages.

Mr. COWAN: He did not ask that it be worked out in percentages, he asked to be shown how it fell at the end of the year.

Mr. TRUDEAU: I am sorry, Mr. Chairman, he did ask that in future reports the reports indicate the percentage per province.

Mr. COWAN: Yes; he did not ask that it be allocated on a percentage basis which is what you just said.

Mr. TRUDEAU: What is the implication of showing it?

Mr. COWAN: Well, he might ask the following year.

Mr. BASFORD: I have no further questions, I seem to have started a debate though.

Mr. STANBURY: Mr. Chairman, I wonder if we could find out the basis for the charge for subscriptions to *Hansard*. It seems very modest. I presume that it is less than the cost of a session's printing of *Hansard*.

(*Translation*)

Mr. DUHAMEL: If I understand Mr. Stanbury's question correctly, you are asking whether the publication of *Hansard* is financially economical?

(*English*)

Mr. STANBURY: No; I am asking whether the private subscriptions to *Hansard*—I think it is $3 per session—pays for the copies that go out to private individuals who subscribe.

Mr. DUHAMEL: I would say no.

Mr. TRUDEAU: Except in 1940 when the session lasted six hours, I suppose.

Mr. DUHAMEL: Yes. Well, it is very hard to ask people to pay again.

Mr. STANBURY: I suppose the price of subscription has not gone up since then.

Mr. DUHAMEL: No. It is $3.

Mr. STANBURY: I am not suggesting it should. I think people should be encouraged to subscribe to it. Mr. Basford has brought out that an unfortunately small number of people do subscribe, but I want to emphasize the fact that it is extremely cheap and undoubtedly costs much less to the subscriber than it does to the government.

(*Translation*)

Mr. DUHAMEL: Quite so, and I would even add that two or three years ago, on the recommendation of the Treasury Board we had increased the price of our publications across the board, by about 30 per cent, but the price of *Hansard* was not raised, because it is felt that, as a public service, we should permit Canadian people to follow the progress of the nation.

(*English*)

Mr. STANBURY: That is the best bargain in reading in the country.

Mr. DUHAMEL: I think you are right.

Mr. STANBURY: I am not suggesting that the quality is always high but the quantity is certainly there. I think Mr. Basford wanted to ask a supplementary question about this.

Mr. BASFORD: A supplementary question, Mr. Chairman. How was the number of 16 complimentary copies per member of Parliament arrived at.

Mr. DUHAMEL: Sixteen?

Mr. BASFORD: Yes. How was that arrived at?

(*Translation*)

Mr. DUHAMEL: I really do not know, that was there before I came and we just go on. Nobody asked us to increase the number of "free subscriptions".

(*English*)

Mr. BASFORD: I do not know under what authority the 16 is arrived at. Would you consider raising it? You say that you have not had a request. I now make a request.

(*Translation*)

Mr. DUHAMEL: Yes, but the request must come of course, from my Minister. If my Minister asks that in the future there should be 25 or 50 copies, all I can do is execute his orders, I cannot take any initiative because someone can ask me for 25 copies, someone else can ask me for 100 copies and I would like to have some kind of a standard order on that.

(*English*)

Mr. BASFORD: Well, I did not mean that you just fill whatever requests are made. I suggest that there be authority to raise it from 16 to a higher figure. I do not know where that authority is derived from, whether it is a regulation of the House of Commons, the Treasury Board, or what it is.

(*Translation*)

Mr. DUHAMEL: It is Treasury Board that gives us our instructions.

(*English*)

Mr. PRITTIE: On that point, members might be interested, I did not before today know that senior high schools were permitted to get it. I have been sending it to senior high schools. I can tell them to apply directly now.

Mr. TRUDEAU: Do you mean the library or the—

Mr. PRITTIE: They can apply to the Queen's Printer for *Hansard*.

Mr. BASFORD: Do the high schools have to apply or are they sent automatically?

Mr. DUHAMEL: Yes, Mr. Basford, they must apply.

Mr. BASFORD: I see. Well, I hope that the press take note of the fact that all the high schools in Canada can obtain *Hansard* for nothing.

Mr. STANBURY: Mr. Chairman, I should think it would be an excellent idea for these to be sent to the high schools without their having to apply. It is a simple matter to find out what high schools there are, and I should think it would be a very basic piece of material for all high schools, and it should go to them without their having to apply. I would like the Queen's Printer to take that into consideration.

(*Translation*)

Mr. DUHAMEL: So far, we have just applied the rules of government, then we would have to ask Treasury Board to amend these regulations, we would do that with pleasure, but the reason for the "if they apply" rule is then too precisely there are libraries throughout the country or major schools, which for any given reason, are not interested in any specific type of publication.

If, for instance, you send National Gallery books on paintings to a faculty of law this might be a loss, therefore we want people to apply.

(*English*)

Mr. STANBURY: We are speaking of *Hansard* at the moment.

(*Translation*)

Mr. DUHAMEL: Yes, but I am just giving you an example. What I am trying to say is that when somebody is really interested he goes to the trouble of asking for something. I think you would particularly like us to carry a sort of propaganda campaign if we sent it to them without any asking, if I understand your idea, to let them get familiarized.

(*English*)

Mr. STANBURY: Well, I would not describe it as propaganda if our citizens are obtaining information about what is going on in Parliament, it may be quite the contrary. They may draw conclusions which we would not necessarily approve of, and I would not blame them sometimes. But, it does seem to be basic information for training in citizenship to study what is going on in our Parliament and, although you do not have the authority, perhaps, to initiate such action, one of the purposes of these hearings is to bring out suggestions which perhaps you could discuss with your—

(*Translation*)

Mr. DUHAMEL: Mr. Stanbury, I entirely agree and I can tell you if that is the wish of the Committee I am ready to make an official request of the Treasury Board with a view to amending this particular regulation, if that is the wish of the Committee.

(*English*)

Mr. STANBURY: It is only a suggestion at the moment; perhaps the Committee will want to discuss this. I would like to pursue, just for a moment, the question of *Hansard*, and to point out, following Mr. Basford's question. I presume that Mr. Basford, Mr. Sauvé, who represents the smallest riding in Canada, and myself, representing some 350,000 people, all get the same number of *Hansard* for our constituents. May I suggest that until the redistribution at least, if there is some reconsideration being given to the distribution to constituencies, that the numbers of people in the constituency be considered. It is somewhat ridiculous to treat, when we are considering the numbers for distribution, each riding in the same way.

• (10.30 a.m.)

I am interested in your relationship with the National Gallery. I notice that in the statement which Mr. Basford has asked for, about the first two months of this year, indicates that you seemed to have paid the National Gallery some money for some printing job. Do they print?

(*Translation*)

Mr. DUHAMEL: I do not have the report with me.

(*English*)

Mr. STANBURY: There is an item in this statement of purchase orders, "National Gallery of Canada, Ottawa, $4,844.75."

(*Translation*)

Mr. DUHAMEL: It is the purchase of reproductions and postcards.

(*English*)

Mr. STANBURY: They print these?

(*Translation*)

Mr. DUHAMEL: Yes, or they have them printed.

We are only concerned with distribution in regard to the National Gallery. This is rather a specific type of printing, of high quality, and there are very few firms that can carry it out and therefore the National Gallery controls all these systems. We do have sales facilities, we assume the responsibility for sales, we buy from the National Gallery and sell on their behalf, but we have nothing to do with the printing.

(*English*)

Mr. STANBURY: Do you then sell on behalf of the National Gallery at cost price or do you add overhead for your own services?

Mr. DUHAMEL: We cover costs.

Mr. STANBURY: You recover costs, including your overhead. You sell these publications through your own book stores and at the counter in the National Gallery?

Mr. DUHAMEL: Yes.

Mr. STANBURY: And, in staffing that counter at the National Gallery do you use your own personnel?

Mr. DUHAMEL: Yes.

Mr. STANBURY: Is there any attempt made to obtain personnel for the gallery's sales counter who are familiar with art?

Mr. DUHAMEL: Oh, yes, and they are.

Mr. STANBURY: You are sure that they all are?

Mr. DUHAMEL: Yes, sir.

Mr. STANBURY: And do you have any say in what is printed for sale at the National Gallery?

Mr. DUHAMEL: No, sir.

Mr. STANBURY: Do you have any observations on whether or not this is a satisfactory arrangement from your point of view, that you be the sales agent in the gallery for gallery publications?

(*Translation*)

Mr. DUHAMEL: Well, we consider that these are very specialized publications for which the gallery has a very competent staff and we are very happy to provide for the sale side which adds to the prestige of our bookstore so therefore they are excellent salesmen for us, that is why we do not look at the content. We have complete confidence that this is properly carried out and meets the public taste.

(*English*)

Mr. STANBURY: I can see the value of the relationship between the gallery and the Queen's Printer because you have wide distribution facilities, but my impression is that the display—the promotion of gallery materials—in book stores outside of the gallery itself is not very active.

(*Translation*)

Mr. DUHAMEL: That may be possible. Perhaps we should further emphasize that side, but I can tell you that our sales figures for the gallery publications are extremely satisfactory because we also sell, to a considerable extent as you know, by catalogue throughout the country. Very often we have leaflets at our disposal which we send out throughout the country to mail boxes, and this has been very satisfactory, from our point of view. But I can tell you that since appointed to my post in July 1960 I have never received the least complaint from the administration of the Gallery—director, curator or any of these gentlemen. The arrangement has been extremely satisfactory on both sides.

(*English*)

Mr. STANBURY: The gallery has been asleep for several years, so I am not surprised, but perhaps you will be hearing from them now.

(*Translation*)

Mr. DUHAMEL: I would be happy to hear from them.

(*English*)

Mr. STANBURY: Thank you.

Mr. BASFORD: Going back to *Hansard,* sir, do you have a statutory requirement to provide *Hansard* free to newspaper publishers, editors, "hot line" operators, et cetera?

Mr. DUHAMEL: One moment, please.

Yes, sir. The press gallery, Ottawa; daily newspapers and a list of selected weeklies, that is, the ruling.

Mr. BASFORD: Anything about radio stations?

Mr. DUHAMEL: No.

Mr. BASFORD: Of your private subscription list, how many other people in the news media are subscribing to *Hansard,* or do you have any breakdown?

Mr. DUHAMEL: I cannot answer this question because I have never read this list.

Mr. BASFORD: Well, I ask the question because I have been doing some private surveying of my own and find that of those people in our newspapers and radio stations, who every hour of every day of the week are shooting off their mouths about how we should be acting and how the country should be run, few of them have ever seen *Hansard,* let alone read it; and particularly with reference to the "hot line" operators that are now so common all across Canada—they are on every radio station—I find that very few of them have ever seen *Hansard,* and yet every morning or afternoon or evening they are on the radio talking, and talking, and talking, and they have not the faintest idea what is going on down here. I would like you, sir—I may be sounding a little annoyed, but I am not annoyed with you—to give some thought to seeing that the people who are having so much to say about how the country should be run, and how Parliament should be run, are supplied with free *Hansard* so that they might know what was going on. They seem not prepared to buy the best subscription value in Canada themselves and maybe we could provide it to them free.

Mr. PRITTIE: They will see it about a week later anyway.

Mr. BASFORD: Well, even if they do get it a week later, it would be better that they be informed a week late than misinformed or uninformed.

Mr. MACKASEY: You could not force them to read it, could you?

Mr. MACQUARRIE: Just a few questions: The way in which we become most familiar with the Queen's Printer is through the check list, and although I am not an efficiency expert I wonder if some of your efficiency people have ever

thought of making this in such a form that they could be simply reversed and returned without the use of an envelope.

Another question: I was wondering if you were in a position to report on the financial success or otherwise of the little booth which has been in the chamber outside the reading room for the last couple of sessions. My next question is about the promotion of your serious works such as the volumes that have been published—books—histories of the navy, the army, the R.C.M.P. and so on?

(*Translation*)

Mr. DUHAMEL: Mr. Macquarrie, I do not know whether I shall be able to answer in the order in which you put the questions, but I shall first answer regarding the little booth in Parliament. I must tell you that the initiative for this comes from the former Speaker of the House, who had asked me to undertake this experiment. We had it only last summer. If you are speaking of this financially, it is not very advantageous to operate it. We will try it again this year for information purposes, to serve the young people who come to visit Parliament should they want to purchase certain publications, reproductions, etc. But financially speaking, it is a deficit, beyond any doubt. I think, of course, that if this year the results are no better than they were last year, then I will ask the Speaker of the House whether we can reach an agreement to relinquish this experiment should it turn out to be rather unfortunate. It is for prestige and information purposes only that we operate it. Now, as regards these serious works referred to, the History of the Korean War, which is on the point of coming out, I got the word that I did not get the idea behind your question. Do you mean to say that we do not engage in sufficient publicity for these serious works?

(*English*)

Mr. MACQUARRIE: I am asking if you do, or how much you do. For instance, when one reads learned journals I think one rarely sees advertisements of worth-while historical works which are published by the Queen's Printer, and I think this is unfortunate because some of these are of a very high calibre.

(*Translation*)

Mr. DUHAMEL: Well, then, I must answer in two parts. First of all, the sales are excellent. Look at the History of the War, for instance, which appeared a few years ago. We are re-editing this regularly and it has always been a best seller. Now, as regards publicity, you will understand that we are rather restricted by our financial means. We place advertisements in specialized magazines. For instance, I can think of the *Northern Miner*, the Mines Department's specialized magazine which reach a specific type of customer. When it is, for instance, a question of the Canada Directory, then we have recourse to the daily newspapers. But we have a limited budget for publicity. And all the more so, I repeat, for the third time, that our sales are excellent.

(*English*)

Mr. MACQUARRIE: To us, the price is good.

Mr. DUHAMEL: I beg your pardon?

Mr. MACQUARRIE: The price is good. I am very glad to hear that and may I interpose right now that I am delighted with this booth outside the reading room. I think it is an excellent idea and I hope that this year it will be a successful financial venture.

Mr. DUHAMEL: It is not a paying proposition.

Mr. MACQUARRIE: Even if it is not I still think it is a grand idea.

I would like to know the people to whom your *Hansard* goes by a sort of courtesy apart from the institutions.

Mr. DUHAMEL: Yes; one moment.

Mr. MACQUARRIE: Premiers, judges, and so on.

Mr. DUHAMEL: I will read it again.

Mr. MACQUARRIE: Well, if it has been done before I will get it from the proceedings, I do not want to delay you.

Mr. BASFORD: The list did not include judges, I do not think.

Mr. PRITTIE: You mentioned public libraries, did you not?

Mr. DUHAMEL: Yes.

Mr. BASFORD: With regard to Mr. MacQuarrie's last remarks, it did not include judges I do not think.

Mr. COWAN: I do not think it mentions members of Parliament either.

Mr. BASFORD: Mr. Macquarrie seems interested in judges, judges do not get complimentary copies.

The CHAIRMAN: Do you have another question.

Mr. COWAN: I have a great many to ask. I believe I am one only printer on the Committee that never gives advice.

An hon. MEMBER: I never offered that excuse.

Mr. COWAN: I wanted to ask the Queen's Printer, is the volume of printing that is being done by outside print shops increasing over the years?

Mr. WARD: Mr. Cowan, the volume has increased appreciably over the years and, particularly, in the last two years.

Mr. COWAN: When you say appreciably, would you please be good enough to tell me how many millions of dollars worth of printing you sent set out, say, in 1964, and how many millions of dollars in 1965; appreciably is not a satisfactory answer.

Mr. WARD: The figures in 1964 when compared to 1965-66, would indicate that our volume has increased by 83 per cent.

Mr. COWAN: From what base figures, from what?

Mr. WARD: From $2,504,417.28 to $4,590,427.35.

Mr. COWAN: What is the value of the printing that the Printing Bureau turned out comparative to those same periods of time.

Mr. WARD: If you are referring specifically to the Canadian Government Printing Bureau, Mr. Cowan, I cannot answer that.

Mr. COWAN: Well, where could I get the answer? I was quite surprised this morning to come in here and be told that I would have an opportunity to question the Public Printing and Stationery Department. I am one of the shining lights of Parliament, and I have been on the printing committee for four years and it has never held a meeting yet, so I thought that the printing bureau came under the printing committee, but if I am here long enough I may find out what the printing committee deals with. When I was told that on the fine arts committee I would have an opportunity of talking about public printing and stationery I was flabbergasted. I came this morning to talk about the cultural centre down here at the corner of Elgin and Sparks. I see they have let a $31 million contract and we have not past the first estimate yet. Why are we being asked to pass estimates for. Where can I get the information that I have asked for. The printing committee does not meet so—

Mr. WARD: I believe the figures are available and you should direct your inquiry to Mr. C. B. Watt, the general manager of the Canadian Government Printing Bureau.

Mr. COWAN: Through what committee?

Mr. WARD: Through Mr. Gordon Hunter, the Deputy Minister of the Department of Defence Production.

Mr. COWAN: Have you any idea of the volume of the printing done by the printing bureau in millions of dollars per year at the present time compared to this printing that is let out?

Mr. DUHAMEL: Would you say 60 per cent in the bureau and 40 per cent to the commercial printers?

Mr. WARD: I am not prepared to answer, sir.

Mr. DUHAMEL: But roughly along these lines, I would say.

Mr. COWAN: Is the amount of printing being let out increasing noticeably year by year?

(*Translation*)

Mr. DUHAMEL: That is to say, a general increase? We are speaking now of a general increase, as there are more publications, obviously. The Government Printing Bureau takes on more and commercial publishers also. It is a natural increase in volume, but the proportion remains very appreciably the same.

(*English*)

Mr. COWAN: I was not talking about the national increase; I was talking about the proportion of printing that is being sent out to commercial printers. Is this being increased by voluntary action on the part of the government rather than by national increase?

(*Translation*)

Mr. DUHAMEL: The proportion remains appreciably the same. It has remained the same for the past four or five years.

(*English*)

For the last four or five years the proportion remains the same.

Mr. COWAN: I am a representative from Toronto in the province of Ontario, Would you be good enough to give us a statement as to in what way the Queen's Printer work in Ottawa is superior—that is on behalf of the national government—to the Queen's Printer's work in Ontario where the Queen's Printer does not have a provincially owned printing plant?

(*Translation*)

Mr. DUHAMEL: I am not in a position to answer that question. I do not know what the operations of the Ontario Queen's Printer are. It is not—

(*English*)

Mr. STANBURY: It gets its work done more cheaply.

Mr. COWAN: Well, they have to print government stationery and government bills and government statutes, and they turn out a daily journal of proceedings very satisfactorily. I thought that you being in the printing trade would at least be cognizant of other printing organizations such as the Queen's Printer in Ontario. I know when I was in the business actively I was well aware of many other printing establishments than the one I was connected with.

(*Translation*)

Mr. DUHAMEL: You will understand that we must abide by the existing system. It is not up to us to establish or to drop a law. We put it in practice. It has been amended these last few years with the division between two departments. All we do is follow the regulations. It is not up to us to start saying: "We will stop printing; we will only go to few commercial printers." That is not our role. I think, Mr. Cowan, that your question would be better addressed to my minister rather than to myself. I can answer only as an employee.

(*English*)

I do not initiate any policy.

Mr. COWAN: I am not talking about policy. As the Queen's Printer I asked you if you could outline to us how your position with a printing plant at your disposal is better than the Queen's Printer in the Province of Ontario who does not have a printing plant at his disposal. I thought it was a fair question; but I am so accustomed in Parliament of being told at the meeting I am at to ask it at some other meeting that is not sitting, that I am quite used to the answers and they do not aggravate me any more today than they did the first time they were pulled. I will ask the Minister, all right. I have been asking for some time. Can you not defend the situation? You are right in the middle of it. Surely, to heavens you know what the superior points are of the federal government's printing bureau.

(*Translation*)

Mr. DUHAMEL: I must tell you, Mr. Cowan, that for a certain part of the publishing work, I consider that it is advantageous to have a Canadian government printing shop. For instance, all parliamentary documents, all

enquiry commission reports, another example, all the work for the defence of the country which, of course, is Top Secret material, loans, for instance, could not be easily given to our commercial printers. So there is this delicate work which comes under the Canadian Government. Then, it is very highly specialized work. If we were to let out contracts to commercial printers, then we would almost have to give a monopoly to a given printer, who would then have to bear the consequences and responsibility of the *Hansard*. You would then no longer have the competition normal in industry. It is only by means of competition that we can let out to various printers and obtain competitive prices. If such and such a printer, Mr. Jones or Mr. Smith, knew that he was the only one to be able to carry out this work, then he could ask more or less any price that he wanted. It is a question of commercial competition simply, so that is why I think for a given proportion of the work, it is a very good thing to let this out to outside printers because I consider, Mr. Cowan, that printers also are taxpayers and they are entitled to be given certain work which is carried out for the government. But I do not know whether you had arrived when I said that we have a working agreement with the Defence Production Department, when we receive requisitions, I think. So, we have an agreement and we must send all the requisitions to the Canadian Government Printing Bureau. All the requisitions. Because it must be understood quite clearly that we closely co-operated, one and the same government, so one department that would have the ideal equipment would be a terrible thing because then they would have to have full employment because they are paid public servants. They are paid with our taxes; therefore, they decide—this sort of job we will carry out; this other job we do not have the time to carry out, so therefore, we send it out to commercial printers. But, in actual fact, at the end of the year, when we analyze how the operation took place—I am trying to give you a very rough proportion but I think as roughly as I can say—that it is approximately 40 per cent that goes outside and 60 per cent that is done inside.

(*English*)

Mr. COWAN: You said just now that they should have full employment the year around. Do you mean the printing bureau?

Mr. DUHAMEL: Yes, I mean the printing bureau.

Mr. COWAN: All I asked was to have that confirmed. That is the perfect example of Parkinson's law. You mean, if the staff is there the business has to be given to them. Is that it? What I am trying to say, my friend, is that there are enough printers in this country looking for work that they can handle all the contracts. You were saying just now that all government business should be done by the government printing bureau—government reports. I spent yesterday reading, for about the tenth time, the report of the Bennett Royal Commission on wages in Ontario hospitals. It is a royal commission put out by the Ontario government. They do not have a printing bureau in the Ontario government. but this is a very well printed report, very legible and very easy reading.

Mr. STANBURY: Because they want to use printing for patronage.

Mr. COWAN: Did I interrupt you once when you were speaking?

Mr. STANBURY: Yes.

Mr. COWAN: Do you want to repeat what I said all over again?

Mr. STANBURY: I want to amend that answer, more than once.

Mr. COWAN: This printing can be done quite satisfactorily. All government reports do not have to be turned out by a printing bureau run by the government. I may buy your contention about the defence section, although we are getting to the point now where everything is a security matter. Even the time of day is a security matter because somebody in some other country is thinking of letting a time bomb go off. But, if I buy the defence bit that you have—if somebody yells at me, "Why do you take the Quebec bridge?" The Quebec bridge is a case in point. I had a daughter who lived within a quarter of a mile of the end of the Quebec bridge and there was a beautiful piece of work put out about the Quebec bridge some years ago. I bought that from a government book store in Toronto. Did the printing bureau print that great big volume with beautiful colour work?

Mr. DUHAMEL: I do not know the answer. We have more than 20,000 titles.

The CHAIRMAN: I am afraid Mr. Cowan if you have any more questions, since our interpreters had to leave us and since we do have to adjourn to be in the House at 11 we might recall Mr. Duhamel at our next meeting.

Mr. MACKASEY: Could we have Mr. Duhamel at our next meeting. Will Mr. Duhamel be a witness at the next meeting of the Committee?

The CHAIRMAN: All right.

Mr. BASFORD: May I suggest we carry the items, reserving the right to have Mr. Duhamel back.

Mr. COWAN: I am taking a case in point, if you want to name another case in point I will take it.

Mr. TRUDEAU: You are always picking on Quebec; why do you not take a P.E.I. bridge?

The CHAIRMAN: I beg your pardon but a motion to adjourn would be in order.

Mr. BASFORD: Could one of your officials send me the list of daily papers and selected weeklies that you mentioned before.

Mr. DUHAMEL: It is all daily papers.

Mr. BASFORD: If it is all daily papers do not forget and I am interested in the selected weeklies.

The CHAIRMAN: Mr. Duhamel will be back at our next meeting.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. GÉRARD PELLETIER

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 23

TUESDAY, JUNE 21, 1966

Main Estimates (1966-67) of the Department of Public Printing and Stationery and the Department of Secretary of State (Centennial Commission)

WITNESSES:

From the Department of Public Printing and Stationery: Mr. Roger Duhamel, Queen's Printer.

From the Centennial Commission: Mr. John Fisher, Commissioner; Mr. Georges E. Gauthier, Associate Commissioner; and Mr. Robbins Elliot, Director of Planning.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24598—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Gérard Pelletier

Vice-Chairman: Mr. Ron Basford

and

Mr. Asselin (*Charlevoix*),	Mr. Langlois (*Mégantic*),	Mr. Prittie,
Mr. Béchard,	Mr. Lewis,	Mr. Prud'homme,
Mr. Berger,	Mr. MacDonald (*Prince*),	Mr. Richard,
Mr. Brand,	Mr. Mackasey,	Mr. Sherman,
Mr. Cowan,	Mr. Macquarrie,	Mr. Stafford,
Mr. Fairweather,	Mr. McCleave,	Mr. Stanbury,
Mr. Hymmen,	Mr. Munro,	Mr. Trudeau—(25).
Mr. Johnston,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, June 21, 1966
(38)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 3.45 p.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs Béchard, Cowan, Macquarrie, McCleave, Munro, Pelletier, Prittie, Prud'homme, Stanbury, Trudeau (10).

In attendance: From the Department of Public Printing and Stationery: Messrs, Roger Duhamel, Queen's Printer; M. E. Slater, Chief, Distribution Services; P. E. Meunier, Chief, Administrative Services; G. L. Ward, Chief, Purchasing Division. *From the Centennial Commission:* Messrs. John Fisher, Commissioner; Georges E. Gauthier, Associate Commissioner; Claude Gauthier, Secretary of the Commission and Assistant to the Commissioners; Robbins Elliot, Director of Planning, Peter Aykroyd, Director of Public Relations and Information; Jean-Pierre Houle, Director of Research; Chester Prevey, Director of Administration and Financial Adviser; Ross Ingalls, Director of Special Projects; John M. Weldon, Chief, Federal Provincial Capital Projects Division.

The Committee resumed the consideration of Item 1 of the Estimates for the Department of Public Printing and Stationery and Mr. Duhamel, the Queen's Printer, was further examined.

Items 1 and 5 were adopted.

The Chairman thanked Mr. Duhamel and he was permitted to retire.

The Committee then proceeded to the consideration of the Estimates for the Centennial Commission, and the Chairman called Item 35, General Administration.

The Chairman tabled returns relating to the Centennial Commission requested at the sitting of June 8th.
(*Identified as Exhibit "Q"*).

Mr. Fisher made a statement concerning the operations of the Centennial Commission and was examined thereon, assisted by Messrs. Georges Gauthier and Robbins Elliot.

Items 35, 40 and 45 of the Centennial Commission were adopted.

The questioning of the witnesses being concluded, at 4.50 p.m., the Committee adjourned until 3.30 p.m. on Monday, June 27.

M. Slack,
Clerk of the Committee.

24598—1½

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, June 21, 1966.

● (3:30 p.m.)

(Translation)

The CHAIRMAN: Order please! We will continue with the examination of the estimates of the Queen's Printer which appear on page 386 with details on pages 387 and 389.

(English)

We are still on item 1, Departmental Administration, Queen's Printer. Mr. Roger Duhamel is here again today to answer your questions. When we adjourned at the last sitting. Mr. Cowan had the floor.

Mr. COWAN: You were going to obtain a copy of the book I was asking about in regard to the Quebec Bridge. Did someone dig it up? I shall repeat the details then. At the last meeting I asked the witness if he was familiar with a publication which had been turned out by the printing bureau and which I call the Quebec Bridge. I stated I was interested in the book because I have a married daughter living in Sillery, which is quite close to the bridge, and I had purchased copies of this magnificiently printed book. I was interrupted at that moment by someone who stated they did not know the book I was referring to, but they would look it up and at the next session of this committee they would be able to answer my question. Therefore, I am asking now whether this book has been obtained.

(Translation)

Mr. ROGER DUHAMEL F.R.S.C., *(Queen's Printer and Controller of Stationery)*: I must apologize Mr. Cowan, we still do not have the transcript of last Friday's sitting, consequently, I was unable to take notes of what had been asked. However, I can assure you that the information will be sent to you directly within a day or two.

(English)

Mr. COWAN: I want to see the book so that I can ask you some questions about it. It is a magnificiently printed book; I liked it very, very much. It cost $7.50, but that is beside the point. Was it printed by the government printing bureau? I bought it from the printer's office in Toronto.

Mr. DUHAMEL: And the title is "Quebec Bridge"?

Mr. COWAN: Yes. However, if that is going to choke you, I just want to ask you about any other book that you may have printed which cannot be called a government statute or a government law or a government regulation. I want to

ask you why the printing bureau print materials such as that when there is no urgency behind it? Why should this not be left to commercial printers to print?

(*Translation*)

Mr. DUHAMEL: I must repeat, if you allow me, that we have an agreement with the Printing Bureau, according to which when we receive a requisition from any department or of any government agency asking for the printing of a book or pamphlet, we must first ask the Printing Bureau. The original request must be made to the Printing Bureau. In other words, it is the Printing Bureau who has first choice in the matter, it is only when the Printing Bureau refuses, that we go to private industry and that we put out bids. That is the policy between the Department of Defence Production, which administers the Printing Bureau, and the Queen's Publisher, or what will become the Queen's Publisher.

• (3.45 p.m.)

(*English*)

Mr. COWAN: I was not asking that question. I was asking why would a government printing bureau be asked to print such a non-government item as the book on the Quebec Bridge, or other non-government items. At the last session it was stated that because of defence secrets, defence purposes and all that the printing bureau should be operated by the government.

I was arguing that printing should be put out in an ever increasing volume to commercial printers, and I still argue that. I was trying to make a case in point on the Quebec Bridge, or any other thing that is not a government regulation, a government statute, a defence secret, a daily *Hansard*, or something like that. Now I am told if the printing bureau refuses to print it then you ask for tenders. Why should the printing bureau be involved in printing such non-government things as this book called the "Quebec Bridge"?

(*Translation*)

Mr. DUHAMEL: I apologize for having to repeat myself but according to our agreement, we must maintain the printing bureau, we must have it working at full capacity, we should not have idle machines and it is the printing bureau's general manager who is capable of taking on such and such a work to keep his staff busy. It is only after that when we, on our hand, retain for commercial printers what the printing bureau has not wanted to do. That is its responsibility. This follows the division of the two departments.

(*English*)

Mr. PRITTIE: It is not a question of government policy, is it?

Mr. DUHAMEL: Exactly, Mr. Prittie.

Mr. COWAN: All you need to do is buy more machines and then ask the government to give you more printing in order to keep the machines busy. I think it would be better to have fewer machines and then the government would not be competing so much with commercial printers.

Mr. PRITTIE: Mr. Chairman, I object here because this is a question which should properly go to the cabinet and not to a civil servant. I think this is the point. It is a policy question.

Mr. COWAN: This happens to be the first time a printing bureau official has ever been before a committee of the House, and I am just trying to get some information. I have been acquainted with the printing bureau for over 60 years, and I could never figure out why they were doing all this printing which can be done by commercial printers.

Mr. PRITTIE: I am only suggesting that complaints should be made to the minister.

Mr. COWAN: You should be a witness because that is what most of them tell you any time you ask a question on that point.

I believe you said you thought about 60 per cent of the printing is being done by the government printing bureau, and about 40 per cent is done by non-government printers, is that right?

(*Translation*)

Mr. DUHAMEL: The other day, I gave you a very arbitrary proportion and today, I think I can provide you with more exact figures. For the 1965-1966 fiscal year, for the volume of work carried out by the printing bureau: publications and Parliamentary papers, a total of $3,571,799 and for the same period, 1965-1966, the value of contracts with commercial printers: $4,590,427.

(*English*)

Mr. MUNRO: Mr. Chairman, I wonder if I could get that first figure again?

(*Translation*)

Mr. DUHAMEL: Yes. The amount was $3,571,799 for the printing bureau and $4,590,427 for the commercial printers.

(*English*)

Mr. COWAN: When you gave this figure of $3,571,799 you said government pamphlets and documents. Is this exclusively governmental pamphlets and documents? Is there no other printing being done by the printing bureau other than government pamphlets and documents? I have in mind the "Quebec Bridge" as a case in point.

(*Translation*)

Mr. DUHAMEL: We have no division here, I have given you the total amount of the value of printing ordered by Government departments, Parliament, Department of Justice, for instance, Veterans' Affairs and so on, in other words from all our customers. I do not have the details per department.

(*English*)

Mr. COWAN: How many employees are there in the government printing bureau? I suppose it shows in the estimates, does it?

(*Translation*)

Mr. DUHAMEL: I could not answer you, because this concerns the Department of Defence Production, I can tell you that I have an establishment of 208, but as far as the Printing Bureau is concerned, I cannot tell you. You should ask the Department of Defence Production, this is no concern of mine, you see.

(*English*)

Mr. COWAN: In your public printing here under vote 1 you have $300 for overtime this year and $200 for last year. In my opinion this figure is somewhat ridiculous as an estimate with respect to what the overtime is going to be. On page 388 you show an overtime figure of $6,200 for this year and $6,200 for last year. What is the basis of your overtime payments in this branch of the government service? Is it based on time and a half, double time or what?

(*Translation*)

Mr. DUHAMEL: This is what we call regular time, based on salary.

(*English*)

Mr. COWAN: That is the kind of an answer I expected. It is just regular time for hours worked over the 8 hour day. There are no shift differentials involved in this branch of the government?

Mr. DUHAMEL: No.

Mr. COWAN: I have been used to paying shift differentials in the printing trade for a good many years. However, the government printing bureau does not do that?

(*Translation*)

Mr. DUHAMEL: I am sorry, I believe that the other side does it, the Printing Bureau does it, but my department does not, because we only work daytime.

(*English*)

Mr. COWAN: The other day we were talking about these book stores which the government operates, and one of the gentleman was good enough to say that you have a profit, so to speak. Then did I understand someone else to say you do not pay anything for rent, heat, or lights, that these are charged to the Department of Public Works?

Mr. DUHAMEL: Yes, Mr. Cowan.

Mr. COWAN: With regard to the new book store which you have at the corner of Shuter and Yonge in Toronto, and which used to be at the corner of Victoria and Adelaide, are you paying rent there, or is that a government building now?

(*Translation*)

Mr. DUHAMEL: It is not a Government building. The first bookstore was in a Government building, but the second is in a commercial building.

(*English*)

Mr. COWAN: This book store at the corner of Shuter and Yonge is directly opposite the main store of W. H. Smith & Son in Toronto, the leading book

distributors in the Commonwealth and one of the greatest book distributors in the world, and you might say it is kitty-corner from the main book store of the T. Eaton Company. Why would the government be maintaining a book store in that location at high rents when the two finest book stores in Toronto are right across the way? Why can the publications not be sold through those two shops in the ordinary manner?

(*Translation*)

Mr. DUHAMEL: Experience has shown us that Government books sold better in large centres when we had our own bookstore which could be identified as such; that is the experience we have had in Ottawa and in Montreal. I even think that it is not competition, but it is emulation, in the circumstances. We are on a very busy street in Toronto and the results, I believe, have justified the choice of that location.

If we moved, it was because the preceding location was in the business area, it was closed on Saturdays, there was nobody around on Saturdays, whereas I was in Toronto on one Saturday in the new store and the business, I think justified the move. Moreover, a government building or a commercial building does not make much difference, for the good reason that we should establish an actual rental value as far as the building is concerned; the government pays something to put us up just as we pay rent to private enterprise.

(*English*)

Mr. COWAN: The question I asked, and I will repeat it again, is: What advantage do you have by having a store at Shuter and Yonge, directly opposite W. H. Smith and Son and kitty-corner from the T. Eaton Company book store, which you would not have if you were selling through Smith and the T. Eaton Company book stores? I want to know what the advantage is. You talked about a very busy street, and yet all three stores are on the same street, namely Yonge Street. The Department of Public Works is paying the rent for a building on the east side of the street. They would not have to pay that kind of rent and maintain a staff of six if they were selling through commercial outlets such as Smith and the T. Eaton Company.

(*Translation*)

Mr. DUHAMEL: I should say that these stores, Eaton's or W. H. Smith, have only a limited interest in selling Government publications, this is only a part of their general operations. There are places where we have what we call "sub-stores", in some areas, and the sales are very low, much lower than they should be. On the other hand, we have no intention of opening bookstores in all canadian cities, this would not be a practical proposition, but it is important that in cities as Toronto or Vancouver or Montreal we identify the presence of the Government and its publications. It is something like an information centre. The results up till now apparently justify the position that we have taken, with Treasury Board approval, of course.

(*English*)

Mr. COWAN: When you say "apparently justified", of course, if you are using figures to show a profit that do not include rent, light and heat and

heaven knows what other charges paid by public works, you can justify anything. However, I would deduce that if all the expenses were charged up to the book stores, it would not apparently justify the operation of the stores.

You have commercial outlets available to you, and if you feel the government can increase its business in selling governmental periodicals by operating government stores, it may be a basis for the argument that there should be government newspapers.

I simply asked the question to find out the reason for it, and you say "apparently justified," but in the minds of whom? Would this again be in the minds of the cabinet, Mr. Prittie?

Mr. PRITTIE: They have the power.

Mr. COWAN: Do they open these stores themselves, or move from the corner of Adelaide and Victoria to Shuter and Yonge?

Mr. PRITTIE: It seems to me they have the power to decide whether the government is in the book selling business or not.

Mr. COWAN: We will follow it up as you have so kindly suggested.

Mr. PRITTIE: I wonder if Mr. Cowan would allow me to ask a related question here. Before item 1 you have the heading "Approximate Value of Major Services not included in these Estimates," and included in that is accommodation provided by the Department of Public Works. If you had to, could you allocate the value of the accommodation provided to the book stores from this figure? Does this mean the space you occupy in Ottawa or all of the space occupied by your branch wherever you may be?

(*Translation*)

Mr. DUHAMEL: I would say, Mr. Prittie, that this incudes all the space we occupy, all the rent we pay, that is what is paid for us by the Public Works.

(*English*)

Mr. PRITTIE: Yes, I believe this was in line with the Auditor General's recommendation of a few years ago, that the services provided to one department by another would be shown. I mentioned the other day that you are providing services for other departments which are now shown, and I am going to mention this to the Auditor General. Thank you.

Mr. MUNRO: Mr. Chairman, I would like to direct a couple of questions to the witness.

The CHAIRMAN: Are you through, Mr. Cowan?

Mr. COWAN: I have one other question. I have been associated with the printing business all my life, and a great deal of the material moving through the mail which we receive does not show the price of publications; it is not required except for political information.

I was just wondering why it is that every last piece of printed material I receive through the federal government carries the name of the Queen's Printer on the front page, "F.R.S.C." Is this a requirement from the cabinet, or is it a printing practice?

• (4.00 p.m.)

(*Translation*)

Mr. DUHAMEL: I can only speak on my own behalf here. When I arrived here in 1960, the name of my predecessor was there and before his name, there was the name of his predecessor. The custom was merely kept on. The Secretary of State or the Cabinet need only direct that henceforth this be removed. This is only an established tradition, according to me; it is based on no particular reason.

(*English*)

Mr. COWAN: You are very frank, and I am sure you are correct in your answer.

Mr. MUNRO: Contrary to the opinion of my colleague, Mr. Cowan, I do think there is some considerable merit in the Queen's Printer having his own outlets in the major cities. I think it makes the public more aware of the governmental publications, and the activities of the federal government generally. However, I do not think commercial printers are particularly interested in promoting governmental publications. And that brings me to the city of Hamilton. I was wondering why a city of that size, which serves a surrounding community of 400,000, has not been considered for a similar outlet in that area?

(*Translation*)

Mr. DUHAMEL: To answer that question, here is the basic policy which explains the opening of these bookstores. We attempted to move regionally. We started with Ottawa, the national capital, then we moved to Toronto which is the English-speaking metropolis, then we went to Montreal, the French-speaking metropolis. After these three we went to the extreme end of the country, that is to the Pacific Coast in Vancouver to cover the West Coast. Then we went to Winnipeg to cover the Prairie area and we also intend opening a bookstore soon in Halifax for the Maritime area. Unless we have a different directive from the Department, I really believe that we will not open any more for a while because as these strategic locations have been covered, the number of requests which we will now receive will fall off. A certain balance should be retained here. The Canadian government has bookstores in all cities of two or three hundred thousand people or one hundred thousand people. There is a difficulty there but I will note your observation. The case of Hamilton has often come up. It is a large centre. In fact I was born in Hamilton myself.

(*English*)

Mr. STANBURY: Mr. Chairman, on that basis I presume that the new cities of North York and Scarborough will take precedence, and perhaps even little Etobicoke will take precedence over Hamilton, but certainly each of North York and Scarborough being larger than that other suburb of Toronto.

(*Translation*)

Mr. DUHAMEL: I believe that we will wait for a consensus among the members of this House.

(*English*)

Mr. MACQUARRIE: I am not going to ask about Charlottetown at all or make any comment about Halifax being the last. I just have one question and it is one of detail.

I am interested in and impressed by a number of reprintings which have been done, such as the reprinting of the Rowell-Sirois Commission Report. What is the procedure; do you require a cabinet initiation for a reprint job of that kind, or is this the kind of thing you can do as a matter of course?

(*Translation*)

Mr. DUHAMEL: As far as re-issues are concerned, reprintings, this comes under our own Department exclusively. This is a matter of commercial interest. When we see that something is out of print and that there is still strong demand for it, we act like all publishers would. We study the market and we make a reprint.

(*English*)

Mr. MACQUARRIE: Are you doing quite a bit of this now?

(*Translation*)

Mr. DUHAMEL: According to demand.

(*English*)

Mr. MACQUARRIE: We waited so long for the Rowell-Sirois and I was very delighted when it finally did come out.

(*Translation*)

Mr. DUHAMEL: The example you give of the Rowell-Sirois Commission Report is rather costly one. The market would be rather quickly covered by libraries, universities, law faculties and so on as well as some intellectuals of this country. There is always a risk involved in investing considerable sums of money in a publication which would remain on our shelves.

(*English*)

Mr. MACQUARRIE: I am glad you took it in this spirit.

Mr. DUHAMEL: Merci.

The CHAIRMAN: Are there any further questions?

Items 1 and 5 agreed to.

The CHAIRMAN: I would like to thank Mr. Duhamel and the other gentlemen for their assistance.

We will now proceed with the estimates of the Centennial Commission by commencing with item 35, namely:

SECRETARY OF STATE

Item 35 General Administration, including the National Conference on the Centennial of Confederation, $3,278,000.

I will now ask the Commissioner, Mr. John Fisher, and his officials to come forward.

(*Translation*)

I will put the usual first question to Mr. Fisher but before giving him an opportunity to answer, I would like to say to all members...

(*English*)

The sets of documents which were requested for every member for audit are at the back of the room. We will now have them distributed.

(*Translation*)

Mr. Fisher, do you have a statement to make?

(*English*)

Mr. JOHN FISHER (*Commissioner, Centennial Commission*): Mr. Chairman and gentlemen, our part of the blue book only takes up a very small section, but I think in total impact throughout the country you will see that our centennial plans are well laid for 1967.

We are coming to a point now where we are moving from the hard task of planning into the realm of implementation. It has not been an easy period because we have no precedence in the centennial of confederation, and no guidelines or ground rules. To our knowledge, no nation, has ever celebrated a centennial on a national basis, over a full year and in such tremendous distances as we must cope with.

The United States did not have a national centennial in 1876 because they had just passed from their civil war period and many of their western territories were unorganized. In most of the European countries they are too old to remember a centennial. So, it has not been easy. We have had to work out our policies the hard way as we struggled along.

Now I think we have a fairly good report for the Canadian public. From our observations across the country and from our report, we are quite aware of the fact that more and more people are becoming involved in the centennial celebrations. We look upon this particular aspect in two dimensions of time; one is to urge people to start to plan for programs before it is too late, and the second timing is to encourage people to get on the ceremonial bandwagon, the bandwagon of enthusiasm for participation. From the tens of thousands of committees in the name of the centennial, we believe that people are planning. We think they will come onto the bandwagon of the ceremonial aspects of the party for the celebration perhaps a little later. We base that experience on previous jubilees and other ceremonies which have been held in the different provinces of Canada.

We believe the program which we can present to you today—if you wish to ask us questions—will stand up. Many of our programs are already in operation. Our travel program has been on now for three summers. The confederation building in Charlottetown, to which we contributed $2.8 million, is now in its third summer. Several of our caravans, which will carry the story of Canada in display form, were on trial here the other day. The big railroad coaches are now being processed and will soon be fitted; one of them is already fitted with

exhibits. Many of our festivals, twinnings, community plannings and interchange have already stood the test.

So, as I say, we are already moving into that second phase where we must start to listen to the tick of the clock because it is getting pretty close; there are less than 200 days remaining until the opening of the show on January 1, 1967.

The CHAIRMAN: Are there any questions?

Mr. COWAN: Is the proposed world rowing championships at St. Catherines under the Centennial Commission? What stage is it in at the moment?

Mr. FISHER: Have we finalized that one, Mr. Elliot?

Mr. R. L. ELLIOT (*Director of Planning, Centennial Commission*): Mr. Chairman, the committee advising the Centennial Commission and the Department of National Health and Welfare met on June 11 for two weeks in a row and examined the whole range of programs, including this particular submission. This committee has made a joint recommendation to the two ministers concerned, and I believe a decision in the matter is expected very shortly.

Mr. FISHER: It will be one of many international sporting competitions held in the centennial year.

Mr. COWAN: Is this committee recommending that it be held there?

Mr. ELLIOT: It is recommending that a grant be made, yes.

Mr. COWAN: Can I ask what figures we are urging? I think it is a worthwhile enterprise. I would just like to know if they are receiving as much as they expected?

Mr. ELLIOT: I believe it will be less than we expected.

Mr. COWAN: Will it be much less?

Mr. ELLIOT: I am not certain of that.

Mr. COWAN: I suppose if they are going to put $10 million into feature films they cannot have too much for the rowers.

I noticed in the press the other day that someone, speaking for the Centennial Commission, said something like this, "If there are 5,000 municipalities in Canada only 1,400 have come forward in co-operation with these centennial grants." I do not know the exact figure, but are there many large centres which have not as yet come forward in the proper spirit?

Mr. FISHER: I believe we have processed close to 2,000 applications.

Mr. COWAN: Are there many large municipalities who have not come forward?

Mr. FISHER: I do not believe we have heard from the city of Toronto on a project yet, nor from the city of Montreal; nothing under the dollar per capita.

Under the second formula, which we call the memorial grants, where we can give $2½ million to a capital city, we have heard from all of them. I believe Montreal and Toronto are the only two major cities that have not yet made applications to us through the provincial governments.

Mr. COWAN: Is there a time limit on the date of application?

Mr. FISHER: We do not put a time limit on the application. It is at the end of 1967 and may be extended to 1968 because of the pressure of inflation. It is the provinces that have their own deadline for the filing of applications. It states in our agreement that they must be completed by 1967, but there may be some discretionary power which we will use on that.

The great majority of projects, what we call durable projects of lasting interest, have been in the field of parks and recreational structures.

Mr. PRITTIE: This may have been in your report, but are you making grants to organization other than the provinces and municipalities?

Mr. FISHER: Under this project of lasting interest?

Mr. PRITTIE: No. Under other headings.

Mr. FISHER: Yes, in certain phases of youth travel.

Mr. PRITTIE: I am aware of you travel, but do you make grants to local organizations?

Mr. FISHER: In some cases we do. In the case of subsidizing the visit of the mayors of Quebec, which is not a national organization but has national significance, our grant enabled them to go to Victoria, and then the British Columbia mayors came back. We have had this same kind of twinning between Manitoba and Quebec, and with universities and other organizations and, of course, in the performing arts. Generally speaking, it would be in youth travel, in the performing arts and in community exchanges.

Mr. PRITTIE: The only way in which local organizations within a province can make any claim is through sharing with the provinces.

Mr. FISHER: That is the organized municipalities or the recognized initiating agency, but it must come through the province for grants on projects of lasting interest.

To answer your question more completely, we do have grants for national organizations in this sense, that we have brought the different faiths together under the Interfaith Council, and the same with the Folk Arts Council. We have set up many agencies such as that, and in some cases the association did not exist before. We have set them up in order to advise us; we give them the administrative money and then they can carry on. In the case of the Interfaith Council, it worked very well with some 31 faiths sitting down together and working out a common policy.

Mr. PRITTIE: You are spurred to ecumenism, are you?

Mr. FISHER: We have ecumenism to this point, that we now have an agreement among the 31 faiths to use a common prayer and a common hymn during 1967, which we think is quite an achievement.

Mr. MACQUARRIE: Have you completed your plans for what I presume will be the big day of all, July 1? I am interested in what is being done in Ottawa.

Mr. FISHER: We have a very elaborate plan for Ottawa, but I do not think it is complete yet. We are not alone in any centennial plannings. Each province

will have its own program for July 1, and each municipality too, I hope, as well as each individual in the land. However, as fas as our own plans for Ottawa are concerned, yes, we have been working on that. Mr. Elliott, do we have any details to announce at the moment, apart from the usual folk arts and concentration of talents?

Mr. ELLIOT: Our plans for the July 1 to 4 week end are not quite firm enough yet for an announcement today.

Mr. MUNRO: notices on page 4 of the brochure, which you have here on films for Canada's centennial year, you are quite critical of the CBC.

Mr. FISHER: Are you referring to the Anderson report?

Mr. MUNRO: Yes. On page 4 you are quite critical of the CBC inasmuch as that corporation apparently has not made available many of their films. It says in the last paragraph:

> Millions of dollars of public funds each year are spent on CBC films. They are made for one television showing and then put on the shelf or actually destroyed. Organizations that want the film and would benefit from them cannot get them.

Has this situation improved since the publication of this report?

Mr. FISHER: This report was received just a short time ago, and as it involves the affairs of another department, I cannot comment on it; it would be up to the CBC. I believe there are many problems connected with it about union fees, royalties and one thing and another, when it is used for another purpose.

Mr. MUNRO: Presumably the Centennial Commission though is making representation to try to work out something with the CBC in this connection, is that true?

Mr. FISHER: I do not think so yet. We work very closely with the CBC on the subject of films, but I do not think we have taken any stand yet on this particular aspect. We have excellent co-operation with them, and the CBC and the Film Board together will be making quite an elaborate documentary of the actual centennial events themselves for posterity, as well as a considerable number of promotional films.

Mr. STANBURY: Mr. Chairman, following along the lines which Mr. Munro started, I am interested to know what steps have been taken as a result of the recommendations of the Anderson report. On page 6, for instance, they seem to recognize an urgent need for action in the field of following up the expressed interest of private industry in sponsoring centennial films. The report is dated April 1; I am not sure when you received it, but it suggests that the commission should now do certain things, among which appears consultation with the CBC about making films available for centennial use. I was a little concerned, in answer to Mr. Munro's question, that there did not appear to be anything undertaken along this line.

Mr. FISHER: I believe our staff has been thinking along these lines, but his was not received and approved by our executive committee of the board until one week ago yesterday, so there has been no time to implement the program suggested.

Mr. STANBURY: Having been approved by your board, does that imply that these recommendations are accepted, and that action will be taken in accordance with them?

Mr. FISHER: Not necessarily. It was tabled for the board and this was the first opportunity the board had to see it. Then it must be assessed by the staff and recommendations brought up throught the executive committee again before we can do anything.

Mr. STANBURY: The process will now involve the staff making recommendations on each individual item in the report?

Mr. FISHER: If it involves the expenditure of money, then it must come up through this process again. However, if it is simply a question of liaison, and our own management committee agrees that we should liaison with the CBC, then I presume it will be done.

Mr. STANBURY: It is not being done yet though?

Mr. FISHER: Not to my knowledge.

Mr. G. E. GAUTHIER (*Associate Commissioner, Centennial Commission*): Confidentially, we have exchanges of views with both agencies, the National Film Board and the CBC. It was following these exchanges of views that it was thought that such a report should be prepared. We have hired consultants to go more deeply into this problem and, as the commissioner said, this report was received by the executive a week ago and the staff is studying this very thoroughly.

To answer your question, all the aspects of the report will be studied by the staff.

Mr. STANBURY: The recommendations on page 6 then are to do something which you have been doing all along?

Mr. GAUTHIER: A start has been made.

Mr. STANBURY: Do you have an arrangement with the National Film Board for distribution of centennial films to communities?

Mr. GAUTHIER: Yes. We have a film on youth travel and they are assisting us in its distribution. Other films which are being produced for us now, such as the helicopter film you have seen or heard about, are going to be distributed with their assistance.

Mr. FISHER: But this is not as a result of this report; they were doing it anyway.

Mr. STANBURY: These were recommendations you were following before the consultants thought of them. What about advising local communities that films will be available to include in their celebrations in which the National Film Board field men will assist?

Mr. FISHER: We have publications which are being released all the time to encourage local communities to take advantage of anything with a centennial content. We are in continuous liaison with the provincial committees, and if we know of a film somewhere which should be used, that is included in the suggestions.

Mr. STANBURY: So you have been doing this all along as well?

Mr. FISHER: Yes.

Mr. STANBURY: How about arranging for cataloguing and inquiring for distribution of CBC films and kinescopes of actuality events, Expo films, commercially sponsored films and so on?

Mr. FISHER: I doubt whether our liaison to date has involved that.

Mr. COWAN: Had anything been done on this before the Anderson report?

Mr. ELLIOTT: If I could comment, Mr. Chairman. The intention is to bring the CBC and the National Film Board together as a group with the commission with a view to improving and enhancing, if possible, the distribution system generally with centennial emphasis, and particularly for the isolated communities in the north. This is where we are giving special emphasis because we have in the commission an isolated community program.

So this process is already started, and over and above that is the fact that there is a film program in the commission, but there is an inability, because of lack of funds, to produce films commercially. In this event we are looking for sponsors from commerce, and private industry. This is one of the recommendations in the report.

Mr. STANBURY: To look for sponsors?

Mr. ELLIOTT: Yes.

Mr. STANBURY: This is something you were doing before receiving the report?

Mr. ELLIOTT: Yes, but not specifically in this area of activity, namely matching up projects with potential sponsors in the film world.

Mr. STANBURY: You had not been discussing with anyone the need for a national film archives prior to the report?

Mr. ELLIOTT: No.

Mr. STANBURY: So far that is the only recommendation in the report indicating something you have not already been doing?

Mr. ELLIOTT: I think the commission has yet to decide whether this comes within the terms of reference.

Mr. STANBURY: I think there is some recognition even in the report that it may not come within the terms of reference of the report.

Mr. FISHER: We have not had a report from our management committee yet on what we should be doing with the Anderson submissions.

Mr. PRITTIE: If you will permit me, from page 41 on there is a list of suggested films which might be produced on some rather interesting subjects. Who will decide whether these in fact will be produced?

Mr. FISHER: There again we cannot say at the moment, but if it is recommended that we have this continuous co-ordinating committee with the CBC and the N.F.B., surely we can get it straightened out. We certainly cannot

get into all these things that are suggested. Perhaps, as Mr. Elliott indicated, there is some area here for commercial sponsorship.

Mr. STANBURY: Are you able to tell the committee the cost of this Anderson report to the commission?

Mr. FISHER: The cost was $10,500.

Mr. STANBURY: Have you reached any conclusion yet about its value, when five of the six recommendations on page 6 were in progress before you received their advice?

Mr. FISHER: No, Mr. Stanbury, not yet.

Mr. STANBURY: Do you think it is beyond their terms of reference?

Mr. FISHER: We have not reached a conclusion as yet.

Mr. MUNRO: I have a supplementary, Mr. Chairman. I understand your board did approve the report a week ago.

Mr. FISHER: They did not approve it. They simply received it and it was tabled to the board or the executive committee of the board.

• (4:30 p.m.)

(*Translation*)

Mr. PRUD'HOMME: Mr. Fisher, what is the role of the National Conference?

(*English*)

Mr. FISHER: The role of the national conference is largely a consultative one, and it is set out in a special section of act which I might read to you. It is part 2 of the act, and it says:

> The objects of the Conference are the consideration and discussion of plans and programmes relating to the Centennial of Confederation in Canada.

The national conference is composed of 60 members and they are responsible to the minister and not to the Centennial Commission. The Centennial Commission, under the act, merely provides the secretariat if the minister so desires. Of the 60 members, 20 of them are recommended by the provincial governments and then appointed by the federal government, and they are mostly provincial governmental officials, in many cases cabinet ministers.

This means there are 40 private citizens at large appointed by the government of Canada to serve. We can give you that list if you would like it; I think it is in the documents which were tabled. Under the act they must meet at least twice a year, and on the recommendation of their own steering committee some time ago they decided to meet in different parts of Canada. We had a meeting in Victoria last week, and the next meeting will be in Edmonton.

Mr. PRUD'HOMME: This is a non-paying group.

Mr. FISHER: Yes, it is non-paying. It is not an executive body; it is purely a consultative body to the minister, and all they receive is their expenses.

Mr. MACQUARRIE: I am interested in the documents which were given us. I am wondering why the letter from Miss Linnell and the reply thereto were not tabled. Is she the only person who has resigned as director of that body?

Mr. FISHER: To my knowledge she is the only person at that time who resigned, and I believe in the terms of reference at your meeting last week that is all you asked us for. There have been other people on the conference and the board who have resigned over the last three years, but at this particular time this was the only letter received. She did not resign; she submitted a letter saying, "If you prefer, I will offer my resignation."

Mr. PRUD'HOMME: What happened?

Mr. FISHER: Nothing happened. She is still on the board.

Mr. PRUD'HOMME: Very good.

Mr. MACQUARRIE: You say she is still on the board?

Mr. FISHER: Yes.

Mr. MACQUARRIE: Well, that is fine. Then I am not interested in seeing the reply to her letter.

Mr. FISHER: She is not only on the board, but she attended our national conference last week as well. The board members are entitled to attend it as observers.

Mr. STANBURY: If there are no other questions from other members, I wanted to find out something which Mr. Macquarrie probably already knows; that is, what special programs are proposed for Charlottetown, the birthplace of confederation, during the centennial year?

Mr. FISHER: As you know we have already had some very special celebrations in Charlottetown. We contributed substantially to the building in 1964. We had a group of actors dressed as the fathers of Confederation, and a special ship to simulate the one used by the fathers, which appeared in Charlottetown. We have assisted in many other ways, especially by our film, in which Mr. Macquarrie appeared, on the Prince Edward Island activities. I do not think there will be any distinction made for 1967 between Charlottetown and any other part of the country. They will all share equally in our train, caravans, festivals, both folk arts and performing arts, in visual arts and in youth travel.

Mr. STANBURY: Will the train commence its journey there?

Mr. FISHER: No. The train leaves Ottawa and goes to Victoria. So in a sense Victoria is the start of the journey from west to east.

Mr. STANBURY: I suppose it ends up in St. John's?

Mr. FISHER: No, it cannot go to St. John's, because of the narrow gauge railroad. The train will end in Montreal. It takes about a year, from January 1, 1967 until the end of November to go from the west coast to Sydney and back to Montreal.

Mr. STANBURY: But it does get to Charlottetown by ferry, does it?

Mr. FISHER: It goes to Charlottetown.

Mr. STANBURY: I wonder if we will have the causeway finished by that time.

Mr. FISHER: We can still get it there, but unfortunately we cannot take it to Newfoundland.

Mr. STANBURY: I presume the Prince Edward Island government has in mind some special activities.

Mr. FISHER: Well, we would hope so. We probably have a listing somewhere concerning these events of special activities in Charlottetown.

Mr. STANBURY: I suspect that since you are stimulating travel during the centennial year, that many Canadians will end up in Charlottetown during that year, and there should be some special interest in seeing that programs are going to meet the challenge.

Mr. FISHER: Well, of course, our train, our caravans and our performing arts and Canada festival will be there. In view of the fact we were able to contribute substantially to that great building means that some of the finest Canadian artistic performers will be there as well which is an attraction in itself.

We will have a listing of the different events across the country just as soon as we can get a more complete story from the provinces; we are gathering it all the time. Mr. Ingalls is here, and with the assistance of the C.B.C. computer, which is another evidence of co-operation, we are preparing a list of outstanding events all across the country not only for July 1, but throughout the whole year. Basically, it is the responsibility of the province for the festivities on July 1 within their own borders, and especially for their capital cities.

Mr. COWAN: What are the terms of reference in this report?

Mr. FISHER: To conduct a study in to the use to be made of film proposals and existing stock in so far as they relate to the Centennial of Confederation including existing films and proposed films, and these are listed on page 1.

Mr. COWAN: The reason I asked that is because of the last paragraph on page 50 of the Anderson report which says:

> The Government is planning legislation to support feature films. Its intention to the general film needs of the country is just as pressing.

I was wondering if this was a general investigation into the film needs of the country, or was it a specific request from the Centennial Commission?

Mr. FISHER: No, we are not responsible for the filming of programs in this country, nor for legislation refilms. I presume he is referring to another department.

Mr. COWAN: Perhaps he took the hint from the Fowler Report; they specifically were not asked to comment on C.A.T.V., but they spent 4½ pages damning it; evidently the terms of reference not being a limited factor in their report.

Mr. FISHER: I do not know whether he quotes the entire terms of reference on page 1, but you will notice in the fourth paragraph it says:

> To evaluate and make recommendations regarding any film plans as specified above, which are discovered to be in existence during the course of the survey, and advise with respect to utilization of existing films during Centennial year.

He states at the bottom of page 1:

> This Report goes beyond the original terms of reference in making general observations for the consideration of the commission, the Government, and in particular, its film agencies. Without such observations the information would not be fully understood in the light of the prevailing situation in film in Canada.

Mr. COWAN: Did the Centennial Commission call for the report?

Mr. FISHER: Yes.

Mr. COWAN: So that all costs were paid for by the Centennial Commission?

Mr. FISHER: Right.

Mr. COWAN: I thought you had called for the report, and I just wondered why the spread in wisdom was so far afield.

Mr. FISHER: We called for a report with specific terms of reference incorporated in his contract.

Mr. COWAN: What I am driving at is I thought his report would have been more confined to the specific terms of reference.

For instance, Mr. Fowler was talking on C.A.T.V. when he was not even asked to look at it. I would have liked to have had this report yesterday when we were talking about feature films in the House of Commons, but I think his timing is perfect for a government agency, and we can use it on second reading.

Mr. FISHER: Well you asked us to table it today, so it was not our choice.

(Translation)

Mr. PRUD'HOMME: There is no particular reason Mr. Fisher, for this letter of Mrs. Lennell's being on file? There is no reason why it is here, is there?

(English)

Mr. FISHER: Do you mean why is it here at this meeting?

(Translation)

The CHAIRMAN: I believe a member of the Committee had asked that the letter be tabled.

Mr. PRUD'HOMME: Yes, I see.

The CHAIRMAN: Do you have any other questions?

(English)

Mr. MUNRO: Mr. Chairman, going back to this Anderson report on films, I take it that why he perhaps went beyond the terms of reference is that having

examined the whole question of films, the availability of films and the manner in which they are undertaken, that in order to prepare his report he came to the conclusion that with the centennial year coming and various agencies with an agent producing these films, but no archives to keep them and properly distribute them, that many of the very valuable centennial films produced would be lost. I think that is the theme of his report.

Pardon me for that digression, Mr. Chairman, but my real point to Mr. Fisher is that Mr. Anderson seems to express some considerable concern that only 40 companies of the 200 contacted have expressed interest in sponsoring centennial films. Now whether they have just expressed interest or whether they, in fact, have undertaken to produce them and go ahead with this, I do not know. I see that you have prepared a very partial list which does not indicate 40 on the previous pages, I am now referring to pages 38 and 39. Of the companies involved, not counting associations, I do not see more than 15 or 16. Have any of the 40 companies who have expressed interest definitely indicated they are prepared to go ahead?

Mr. FISHER: I cannot answer that, Mr. Munro, I do not know. It may be a good thing, or it may not, that they have centennial films, and perhaps some of them have other ways of contributing to the centennial. If the implication of this report is that they are not doing anything because of not having a centennial film, then that would disturb me a little bit. However, I hope every corporation will be doing something.

Mr. MUNRO: At page 40 of the Anderson report, he says:

> Some express only mild or possible interest but enough to follow up. Others request suggestions and positively want to back films. All these should be approached at once.

Has the Centennial Commission, Mr. Fisher, planned to adopt this very substantial recommendation of Mr. Anderson? Have they plans and personnel ready to follow-up and make these approaches which he is recommending?

Mr. FISHER: Not yet because they have not yet been assessed by our staff and brought up to the management committee, or, if necessary, to the executive committee.

Mr. MUNRO: I can think of many firms in the manufacturing field—and I am thinking of my own area—such as International Harvester and Firestone and so on, who, although they are subsidiaries of United States corporations, I think, should be playing a far more active role in our centennial plans than they have today, and I believe this has been communicated to them.

I would just sort of lend my weight to this particular recommendation, that these firms be approached on projects such as this. I notice Mr. Anderson does lay out many of the advantages of these firms, if they do produce these films, in the way of sponsorship credits over the networks, and so on.

Mr. FISHER: I would agree with you. It was only recently the minister spoke about this publicly, and so did Mr. Gauthier, the associate commissioner, deploring the fact that so few corporations had reported to us of any centennial plans.

Now, in this hierarchy of centennial planning there is a voluntary organization called the Canadian Centenary Council, which is non-government, and there is no money for grants. The function of that centenary council is to stir up interest in the corporate area of the country. We ourselves have men on staff and under contract now for going out to try to interest corporations in specific projects, and some of them might be films, or it might be something to do with the festival of the arts, or something else. In other words, we are going to try to knock on doors with specific tailored projects we know about which are lacking sponsorship at the moment. I think we have already stimulated quite a few companies.

(*Translation*)

Mr. BÉCHARD: Mr. Fisher, with regard to these caravans,—the Confederation train will not be able to come to my area,—who has decided the places where these cars are going to stay?

(*English*)

Mr. FISHER: We have made a very exhaustive survey of the places in the different provinces. We have brought in recommendations which are based on traffic, the importance of centres and facilities which have been surveyed. Then we discuss them with the provincial centennial committees, and after they agree on them we lock them up. So it is sort of a joint operation.

The CHAIRMAN: Are there any further questions?

Items 35, 40 and 45 agreed to.

The CHAIRMAN: Before the committee adjourns, I would like to point out there was another meeting called for tonight, but no witnesses were notified. So, if it is the pleasure of the committee, the time period will be used to great advantage by the steering committee in order to complete its draft report. It is not definite yet that the steering committee can produce this draft report for hearing on Thursday. We had a camera meeting planned for Thursday on the report.

If it is the pleasure of the committee, we will not make any decision about the Thursday meeting. If the draft report is ready, the meeting will be called and, if not, the committee will stand adjourned until next Monday. Therefore, there will be no sitting tonight, except we will try to get the steering committee together to work on the report.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. GÉRARD PELLETIER

PROCEEDINGS

No. 24

MONDAY, JUNE 27, 1966
TUESDAY, JUNE 28, 1966

Main Estimates (1966-67) of the Department of the Secretary of State

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INCLUDING NINTH REPORT TO THE HOUSE
(Respecting Canadian Broadcasting Corporation—Seven Days)

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24600—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Gérard Pelletier

Vice-Chairman: Mr. Ron Basford

and

Mr. Asselin (*Charlevoix*),	Mr. Langlois (*Mégantic*),	[1]Mr. Prittie,
Mr. Béchard,	Mr. Lewis,	Mr. Prud'homme,
Mr. Berger,	Mr. MacDonald (*Prince*),	Mr. Richard,
Mr. Brand,	Mr. Mackasey,	Mr. Sherman,
Mr. Cowan,	Mr. Macquarrie,	Mr. Stafford,
Mr. Fairweather,	Mr. McCleave,	Mr. Stanbury,
Mr. Hymmen,	Mr. Munro,	Mr. Trudeau—(25).
Mr. Johnston,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

[1]Replaced by Mr. Peters after morning sitting of June 28.

ORDER OF REFERENCE

TUESDAY, June 28, 1966.

Ordered,—That the name of Mr. Peters be substituted for that of Mr. Prittie on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

24600—1½

REPORT TO THE HOUSE

WEDNESDAY, June 29, 1966.

The Standing Committee on Broadcasting, Films and Assistance to the Arts has the honour to present its

NINTH REPORT

1. On Tuesday, April 19, 1966 the Prime Minister was asked in the House of Commons whether he would "arrange for an immediate convening of the Standing Committee on Broadcasting in order that it will have an opportunity to discuss the problems which have been reported to have arisen between management and the creative people of the Canadian Boradcasting Corporation."

2. Mr. Pearson replied: "It is my understanding that the Committee has been set up and that the estimates including those of the Canadian Broadcasting Corporation have been referred to it for consideration. I shall be glad to get in touch with the Chairman of that committee to find out whether it is convenient to arrange for an immediate meeting." (*Hansard*, p. 3983)

3. On the same day, both parties to the Seven Days dispute, namely Messrs. J. Alphonse Ouimet, President of the CBC and Patrick Watson, one of the co-hosts of the program Seven Days, contacted the Chairman of the committee to inform him that they were ready to appear before the committee if it was the wish of the committee.

4. On April 21, your Committee heard its first witnesses. On that occasion, the Secretary of State, Honourable Judy LaMarsh, made the following remarks in the course of her opening statement before the committee:

"There is one particular point, however, on which judging by the comments in the House earlier in the week, you might expect me to elaborate. I refer to my comments before another forum, last week end, to the effect that, in my judgement, the controversy over the personnel on Seven Days was merely symptomatic of a wider problem within the CBC. I think I referred to it as a sort of "tip of an iceberg".

"I cannot really believe, despite the apparent surprise in the House, that this represented any startling pronouncement or discovery on my part, or really was news to anyone who has been interested for any length of time in broadcasting in Canada".

5. Further in her statement, the Minister added: "I hope that it is going to be possible to resolve not only the immediate controversy but also to find an accommodation of the basic conflict of management's responsibility to manage and the creative mind's need to be unfettered in its expression—within the corporation itself. (. . .) I would hope that this Committee might, in its own way, contribute to the solution which I know is earnestly desired by all."

6. Your Committee held 32 meetings on item 1 of the CBC estimates during which it heard statements and evidence related to this matter from the following persons in the following order:

1. Honourable Judy LaMarsh, Secretary of State
2. Mr. Patrick Watson, CBC Television Producer
3. Mr. Laurier L. LaPierre, CBC Television Interviewer
4. Mr. Douglas Leiterman, CBC Executive Producer
5. Mr. Reeves Haggan, General Supervisor, Public Affairs, CBC English Network
6. Mr. H. G. Walker, CBC Vice-President and General Manager, Network Broadcasting (English)
7. Mr. J. Alphonse Ouimet, President, CBC
8. Mr. Claude Désorcy, Producer, CBC French Network
9. Mr. Marc Thibault, General Supervisor, Adult Education and Public Affairs, CBC French Network
10. Mr. Marcel Ouimet, CBC Vice-President and General Manager, French Network
11. Mr. Michael Harrison, Chairman, President's Study Group, CBC (October, 1963 to October, 1964)

7. Your Committee also received written briefs, from the following, after calling for written submissions at the end of its hearings:

1. Mr. Alphonse Ouimet, President, CBC
2. Mr. Douglas Leiterman
3. Mr. Patrick Watson
4. Mr. Laurier L. LaPierre
5. The Canadian Broadcasting League
6. Mr. Donald F. Theall, Professor and Director of Communications, York University, Toronto (Chairman-elect, English—McGill University)
7. Mr. Wilson Southam, CBC Television Producer
8. Members of the CBC Public Affairs Department (English)

8. On Thursday, June 2, 1966, following a recommendation from the Subcommittee on Agenda and Procedure, the Committee decided that an interim report should be presented to the House concerning the conclusions drawn from its examination of this matter.

9. The Committee, from the outset of its hearings, implicitly defined its own mandate. It felt that it should concern itself, not with the Seven Days dispute as such, but with the more general situation that had given rise to the quarrel within the CBC. The Committee is of the opinion that it should not act as an arbitrator or mediator between the CBC's top management and the Seven Days unit or hosts or the Producers' Association. It has no intention of intervening in the CBC's internal decisions by passing judgement on the actions of any individual member of the CBC management or personnel, or on the content of any particular program.

10. In this, the Committee shared the view expressed in the brief presented by the Canadian Broadcasting League: "We can think of nothing that could be

more ultimately destructive to the independence of the CBC. Nor can we think that Parliament would wish to get into the impossible position of being a board of arbitration for CBC management disputes, a function that it cannot perform and that it should not wish to perform".

11. The following exchange between the witness, Mr. Patrick Watson, and the vice-chairman of the Committee, illustrates a similar understanding:

"Mr. Basford: (...) In coming before the Committee, are you recommending to the Committee that we should interfere in the production of Seven Days by recommending the renewal of your contract?"

"Mr. Watson: I think that is a perfectly fair question and the answer is categorically no. My understanding of the role of this Committee is that it is a body which gathers information and makes recommendations. The Committee has indicated its need for more information on the Seven Days situation and what lies behind it. I think my obligation here is to provide whatever information is required and perhaps to add to that information which I think might be useful to the Committee. In no sense do I feel that I am here to place a grievance before the Committee for correction."

12. Recognizing that it was not the function of the Committee to adopt a mediating role, the Committee welcomed the good offices of the government and tabled a report on April 27, 1966, which contained the following recommendation:

"While examining witnesses, evidence was adduced of the possibility of a stoppage of CBC services. In view of this evidence, your Committee is of the opinion that the CBC Management and CBC Producers should avail themselves of the good offices of the Government offered by the Prime Minister, on April 26, in the House of Commons, to avoid the possibility of any stoppage of CBC services".

Although Mr. Stuart Keate was appointed by the Prime Minister to deal with this situation, it is to be regretted that the dispute was not resolved.

13. Your Committee fully realized, early in its hearings, that it was by no means on a new journey while exploring the Seven Days issue. On the contrary, most of the circumstances surrounding that particular incident were strikingly reminiscent of findings already made by previous enquiry groups namely the Glassco Commission, the Fowler Committee on Broadcasting and the CBC President's Study Group as quoted in the Fowler Report. The main difference seemed to be that the Seven Days case had further exacerbated the ill feelings between top and middle management people, not to mention the producers who were threatening to go on strike. The decision made with regard to the two co-hosts of Seven Days had also brought about a most violent reaction by part of the viewing public.

14. The Committee was faced with the evidence of deep divisions within the CBC among top management, middle management (supervisors) and production people. The testimony heard from both the English and the French networks made it clear to the Committee that the existing malaise—to avoid a stronger word—was in no way limited to the Seven Days issue but pervaded the

whole department of Public Affairs broadcasting. (The Committee limited its exploration to that department alone.)

15. Therefore, the Committee felt that it was within its competence to try to determine the causes for such a serious breakdown in the normal relationship between people who were supposed to cooperate harmoniously. While recognizing that harmony is normally more difficult to maintain in this most sensitive area of public affairs and controversial issues, your Committee also took the view that the very nature of the work performed in that field makes harmony all the more essential. Finally, it became obvious, as testimony was being heard, that dissension of that kind, which seemed deeply rooted in the very structures of the CBC, could not be allowed to go on any longer without jeopardizing both the prestige and efficiency of the Corporation. It seemed obvious, therefore, that the problem went far beyond the individuals involved in any specific incident and that the Committee should, on behalf of Parliament, explore the situation as exhaustively as possible, in search of a general solution.

16. Towards the final stages of its work, the Committee became aware that the malaise revolved around four major factors:

(a) the absence of a grievance procedure within the CBC to deal with internal conflicts of a specific nature in the production field;
(b) the difficulty of reconciling the views of creative production personnel with those of management, and vice-versa;
(c) problems arising from the distribution and exercise of authority at the various levels of management;
(d) the question of CBC policy in public affairs programs.

(a) *Internal Arbitration*

17. Occasional disputes are inevitable in the course of producing radio or TV programs on controversial public issues. On that point, there was complete unanimity among witnesses. It was also recognized by most that the very nature of the media made it inevitable that internal disputes would spill over into the general public unless they can be dealt with rapidly and effectively within the Corporation.

18. For instance, it was stated in evidence, that under an oral agreement of two years standing no changes in artists and performers on a program would be effected without consultation with the producer concerned. This agreement appears to have been ignored in the case of Seven Days.

19. To prevent such incidents from becoming public issues in the future, and to contain them within the CBC, it is imperative that a grievance procedure be set up in all centres of production. Grievances could thus be dealt with promptly and equitably, thereby preventing the dispute from becoming a matter of public controversy.

20. Evidence was given that a collective agreement including such a procedure has been in existence in Montreal ever since the end of the French network's producers' strike in 1959, with remarkably good results in settling grievances within the Corporation. It is the Committee's view that a collective agreement with the producers and the setting up of a grievance procedure

similar to the one described in Article 4 of the collective agreement between the CBC and its Montreal producers would likely produce better results than those witnessed over the last few months in the English network.

(*b*) *Management and the Producers*

21. It is not the function of management to create TV or radio programs nor is it the function of the producers to manage the Corporation. It is, therefore, essential that a *modus operandi* be established to articulate one operation with the other.

22. This problem, however, is not exclusive to the CBC or to broadcasting systems in general. It is found in all agencies where creative talent associates with a managerial staff. From such association, tensions result inevitably. The question, therefore, is not how one can eliminate all tensions but how the negative, destructive kind can be eliminated and the creative tensions retained. It is the job of management to manage—in a manner which will achieve a dynamic coupling of the two functions—as it is the producers' job to create good programs within the limits assigned by management and the policies defined by it after consultation with supervisors and producers.

23. After hearing arguments from both sides, the Committee is fully conscious that no limits can be assigned and no policy formulated once and for all. Broadcasting is in constant evolution. We are also aware that it is not enough to assign limits and to determine policies, to be applied rigidly ever after. Those who would like to run a radio or TV network in military fashion would be very disappointed with the results. For there is no other way of doing it than through close and constant communication and consultation, conciliation and compromise from all parties concerned.

24. Extreme nervousness or jumpiness on the part of management with regard to public reactions, and extreme touchiness or irritability on the part of creative personnel, spell the very formula of disaster. Both moods can easily develop, however, if the lines of authority are not well defined or if they are ignored in day to day operations. From the testimony given, it is all too obvious that the present conditions prevailing in the CBC's public affairs department generate discontent in both management and production personnel, to a degree that endangers future operations. The use of phrases such as "sitting on a powder keg" or "blazes of resentment" suggests that something is basically wrong in the present organizational pattern.

25. In particular, your Committee would like to draw attention to the following points:

(*a*) The fact that it is almost impossible to assign precise responsibility for any given breakdown in the system would seem to indicate that the degree of authority exercised at each echelon in the chain of command is not well defined; the resulting confusion accounts for much of the acrid debate about "the right of management to manage"; it is also conducive to erratic decisions and much haggling;

(*b*) there should be more opportunities for younger, more dynamic elements to reach top echelons of management, and the present failure to achieve this goal, indicates a certain amount of sclerosis has crept in;

(c) although information and public affairs is undoubtedly a most sensitive area in broadcasting, the Committee doubts very much that the CBC acted wisely in isolating that department from the normal lines of authority, thus making the whole organisational pattern more complex and difficult for this all important department;

(d) your Committee finds it difficult to understand the role of the program department (some 50 people) operating in Ottawa and divorced almost entirely from the lines of authority and the main production centres. The Committee was examining the very essence of programming difficulties, yet not one witness suggested any solution in which this department had any role to play;

(e) a serious fault in the present structure of the CBC is to be found in the definition of the President's functions and authority. It is unfair to any incumbent under present conditions. He is expected to be at the same time versed in all aspects of culture, politics and social evolution; aware of all the latest developments in communication techniques as well as an able administrator capable of supervising the management of a budget that exceeds one hundred million dollars. It is therefore necessary to re-define and re-arrange these functions.

(c) *Remote Control of Programming*

26. In line with foregoing observations about the necessity for "close and constant communication and contact" between top management and the two main centres of production, your Committee is of the opinion that effective, competent authority in the field of programming should be brought closer to the two main centres of production, i.e. Montreal and Toronto.

27. Each of the operations conducted in those two centres is analogous to that of a very large daily newspaper. In our view, what is needed in each of these two centres is the equivalent of a managing editor as known in the written press. Such large "newsrooms" dealing every day with the flow of events cannot be managed by remote control from Ottawa nor work properly without the presence of an "Editor" endowed with quasi-final authority over programming.

28. It is the Committee's view that this could be best achieved if there were in each of the two main production centres a senior vice-president responsible for programming and production in the English and French networks respectively, the choice of both men being determined on the basis of experience and competence in those fields. They would assume authority over the whole of programming and production in each network (with special emphasis on the sensitive area of news and public affairs) and reside permanently in Toronto and Montreal. They should report directly to the President and the Board with whom the ultimate responsibility should rest for the overall CBC operation. This recommendation should be implemented now, notwithstanding the fact that the Committee has not yet undertaken the overall review of the organizational framework of the CBC which it intends to make this Fall.

(d) Policies of Public Affairs Broadcasting

29. Your Committee holds the view that a publicly owned broadcasting system like the CBC should never be used as the instrument of any ideological propaganda. Your Committee also believes that the CBC as such should provide no opinion of its own except the basic tenets of democracy and freedom. But these tenets are not so weak and pliable as to be unable to withstand controversy if presented fairly and in a balanced manner. As Sir Hugh Greene, Director General of the BBC, put it in an address to the International Catholic Association for Radio and Television, entitled "The Conscience of the Programme Director" in February, 1965: "Without true independence, it is difficult for any broadcaster to maintain the highest standards of truth, accuracy and impartiality. Conversely, of course, without a reputation for these things—truth, accuracy and impartiality—it is difficult for any broadcasting organization to be recognized as truly independent and to be generally trusted.

30. "Truth and accuracy are concepts which are not susceptible of legal definition. The Government in Britain is content (after forty years experience of the BBC) to recognize that the BBC tries to honour these concepts and to treat with due impartiality all controversial subjects.

31. "But although, in the day-to-day issues of public life, the BBC does try to attain the highest standards of impartiality, there are some respects in which it is not neutral, unbiased or impartial. That is, where there are clashes for and against the basic moral values—truthfulness, justice, freedom, compassion, tolerance.

32. "Nor do I believe that we should be impartial about certain things like racialism, or extreme forms of political belief. Being too good "democrats" in these matters could open the way to the destruction of democracy itself. I believe a healthy democracy does not evade decisions about what it can never allow if it is to survive.

33. ". . . some political and social ideas are so clearly damaging to society, to peace and good order, even in their immediate effects, that to put at their disposal the enormous power of broadcasting would be to conspire with them against society. Here it is extremely difficult to know where to draw the line. The answer must vary from case to case, from country to country."

34. Your Committee agrees that although the answer must vary with the country, in Canada at least "a healthy democracy does not evade decisions about what it can never allow if to survive". Furthermore, a healthy democracy should be able to withstand challenges to beliefs and conscience if forthrightly broadcast with taste, balance and understanding.

35. No evidence was presented to your Committee which would indicate that the Corporation has been subject to any pressure or intervention on the part of the Government or political parties. Conversely, the Committee learned, with satisfaction, that CBC management and CBC personnel are under an obligation to refrain from promoting their views through the publicly owned facilities at their disposal.

36. However, the Committee does not believe that CBC neutrality in controversial matters should be so scrupulous as to detract from its liveliness.

Your Committee thinks that a balance can be found between personal editorializing and dullness inspired by fear of public reactions. As far as possible, each program should seek a proper balance but obviously this is not always feasible and a series of programs must therefore be regarded as a whole.

37. The same observation applies to the choice of performers. It is easy to find people whose blandness and lack of personality makes them perfectly "safe" but this can inhibit lively broadcasting. What the CBC needs is the type of performers with strong individuality and personal opinions but who are aware of their own biases and are capable of keeping them in check. Objectivity is as difficult to attain as it is difficult to define. All journalists have to strive for it but none, including those employed by the CBC, should be expected to achieve it automatically. The best one can hope for is a sincere and constant effort toward high standards of journalistic honesty. The search for such standards, however, could severely cripple creativity if it were promoted too rigorously.

38. The Committee wishes to emphasize that in view of the prime importance of lively, provocative, constructive TV and radio, culturally and otherwise, particularly in the field of public affairs, no effort should be spared to attain this goal. It agrees with the concept of public affairs programs which are designed to attract the largest possible audience and involve in public affairs those not usually attracted by traditional broadcasting.

39. Finally it should be stated here that under Parliamentary rules all witnesses were compellable witnesses and were called and required to answer questions put to them, and therefore, there must be no action taken against them as a result of their testimony.

40. Your Committee wishes to express its thanks and appreciation to the witnesses and to those who have made written submissions for their frankness and willingness to cooperate.

41. To conclude, your Committee wishes to restate that it "Felt that it should inquire into the matter" (This Hour Has Seven Days) "and concern itself, not with the dispute as such, but with the more general situation that had given rise to the quarrel within the CBC". In future hearings, the Committee will be examining in general the estimates of the CBC and the BBG and with leave of the House of Commons, the Government's White Paper on Broadcasting.

42. As a wide ranging inquiry into broadcasting may be protracted, any possible amendments to the Broadcasting Act may not be made for quite some time. In future hearings the Committee hopes to be able to take note that the Board and Management have taken action to resolve the present situation that exists in CBC Public Affairs broadcasting. In the meantime, however, the Committee, like many others, is concerned that steps be taken to ensure adventurous public affairs programming for next season.

43. A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 1 to 18 and No. 24*) is appended.

Respectfully submitted,

GÉRARD PELLETIER,
Chairman.

MINUTES OF PROCEEDINGS

MONDAY, June 27, 1966.
(39)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day *in camera* at 4.00 p.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Basford, Béchard, Brand, Fairweather, Hymmen, Johnston, Lewis, MacDonald (*Prince*), Mackasey, McCleave, Munro, Pelletier, Prittie, Prud'homme, Richard, Sherman, Stafford, Stanbury, Trudeau (19).

Member also present: Mr. Grégoire.

The Chairman tabled the submissions received from the following interested parties relating to the "Seven Days" matter, as requested by the Committee on June 2nd:

1. Mr. J. Alphonse Ouimet, President, CBC
2. Mr. Douglas Leiterman
3. Mr. Patrick Watson
4. Mr. Laurier L. LaPierre
5. The Canadian Broadcasting League
6. Mr. Donald F. Theall, Professor and Director of Communications, York University, Toronto, (Chairman-elect) (English—McGill University)
7. Mr. Wilson Southam, CBC Television Producer
8. Members of the CBC Public Affairs Department (English)

(*Identified as Exhibit "R"*)

Mr. Pelletier made a statement regarding the Estimates of the Department of Secretary of State remaining for consideration as well as the agencies which report to Miss LaMarsh.

The Committee then adopted the following estimates of the Department of Secretary of State:

Item 5, Corporations Branch and

Item 20, Patents and Copyright.

A draft report relating to the CBC (Seven Days) was presented by the Subcommittee on Agenda and Procedure.

At 5.50 p.m., the division bells ringing in the House, and with discussion still continuing, the Committee adjourned until 8.00 p.m. this evening.

EVENING SITTING
(40)

The Committee resumed, *in camera*, at 8.20 p.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Asselin (*Charlevoix*), Basford, Brand, Fairweather, Hymmen, Johnston, Langlois (*Mégantic*), Lewis, MacDonald (*Prince*), Mackasey, McCleave, Munro, Pelletier, Prittie, Prud'homme, Richard, Sherman, Stafford, Stanbury, Trudeau (20).

The Committee resumed its discussion of its draft report to the House relating to the CBC (Seven Days).

Mr. Stafford moved, seconded by Mr. Prud'homme, that the Committee adjourn until this Thursday to enable members to study the report. Motion was negatived *on division.*

Following further amendments to the report, and with discussion still continuing, at 11.00 p.m., the Committee adjourned until 11.00 a.m. on Tuesday, June 28.

TUESDAY, June 28, 1966.
(41)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day, *in camera,* at 11.15 a.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Asselin (*Charlevoix*), Basford, Bechard, Brand, Fairweather, Hymmen, Johnston, Lewis, MacDonald (*Prince*), Pelletier, Prittie, Prud'homme, Richard, Stanbury (14).

Also in attendance: Dr. P. M. Ollivier, Q.C., Parliamentary Counsel.

The Committee resumed its discussion of its draft report to the House relating to the CBC (Seven Days).

After further deliberation and amendments, and with discussion still continuing, at 1.20 p.m., the Committee adjourned until 3.30 p.m. this afternoon.

AFTERNOON SITTING
(42)

The Committee resumed, *in camera,* at 3.45 p.m. The Chairman, Mr. Gérard Pelletier, presided.

Members present: Messrs. Asselin (*Charlevoix*), Basford, Brand, Johnston, Lewis, McCleave, Munro, Pelletier, Peters, Prud'homme, Sherman, Stanbury (12).

The Committee resumed its discussion of its draft report, and following its consideration and amendment, was adopted and the Chairman ordered to present it to the House as the Committee's Ninth Report.

At 6.00 p.m., the Committee adjourned to the call of the Chair.

M. Slack,
Clerk of the Committee.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament
1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 25

THURSDAY, NOVEMBER 3, 1966

Main Estimates (1966-67) of the Public Archives and National Library and the Department of Secretary of State (National Museum of Canada)

WITNESSES:

From the Public Archives and National Library: Dr. W. Kaye Lamb, Dominion Archivist and National Librarian; and Mr. A. C. Taylor, Director, Administration and Technical Services.

From the Secretary of State Department: Mr. G. G. E. Steele, Under Secretary of State.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24729—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Ron Basford

and

Mr. Asselin (*Charlevoix*),[1] Mr. Laprise, Mr. Pelletier,
Mr. Béchard, Mr. Lewis, [2]Mr. Prittie,
Mr. Berger, Mr. MacDonald (*Prince*), Mr. Prud'homme,
Mr. Brand, Mr. Mackasey, Mr. Richard,
Mr. Cowan, Mr. Macquarrie, Mr. Sherman,
Mr. Fairweather, Mr. McCleave, Mr. Stafford,
Mr. Hymmen, Mr. Munro, Mr. Trudeau—(25).
Mr. Johnston, Mr. Nugent,

M. Slack,

Clerk of the Committee.

[1]Replaced Mr. Langlois (*Mégantic*) on Thursday, October 27, 1966.

[2]Replaced Mr. Peters on Tuesday, October 18, 1966.

ORDERS OF REFERENCE

TUESDAY, October 18, 1966.

Ordered,—That the name of Mr. Prittie be substituted for that of Mr. Peters on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

THURSDAY, October 27, 1966.

Ordered,—That the name of Mr. Laprise be substituted for that of Mr. Langlois (Mégantic) on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

24729—1½

MINUTES OF PROCEEDINGS

THURSDAY, November 3, 1966.
(43)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m., with Mr. Gérard Pelletier, presiding.

Members present: Messrs. Béchard, Berger, Cowan, Laprise, MacDonald (*Prince*), McCleave, Munro, Pelletier, Prittie, Stanbury—(10).

In attendance: Mr. G. G. E. Steele, Under Secretary of State, Secretary of State Department. *From the Public Archives and National Library:* Dr. W. Kaye Lamb, Dominion Archivist and National Librarian; and Mr. A. C. Taylor, Director, Administration and Technical Services. *From the National Museum:* Dr. Richard Glover, Director, Human History Branch; Dr. Frank Banfield, Director, Natural History Branch; Mr. Thomas Russell, Administrative Officer.

Mr. Pelletier made a statement in which he tendered his resignation as Chairman of this Committee.

Mr. Prittie moved, seconded by Mr. MacDonald (*Prince*), that the resignation of Mr. Pelletier be accepted with regret. Motion was adopted, and Mr. Pelletier left the Chair.

The Clerk attending, and having called for nominations for Chairman, Mr. Béchard moved, seconded by Mr. Pelletier, that Mr. Stanbury be Chairman of this Committee.

There being no other nominations, Mr. Stanbury was declared elected as Chairman.

Mr. Stanbury thanked the Committee for the honour conferred on him.

The Committee then proceeded to the consideration of the Estimates for the Public Archives and the National Library.

The Chairman called Item 1, General Administration and Technical Services, Public Archives, and then introduced Messrs. Lamb and Taylor.

Dr. Lamb made an introductory statement and was examined thereon, assisted by Mr. Taylor.

Item 1, Public Archives, was adopted.

Item 5, National Library, was adopted.

The examination of Messrs. Lamb and Taylor being concluded, they were permitted to retire.

The Chairman then called Item 15, Administration, National Museum of Canada, and after the officials of the National Museum were introduced, Mr. Steele made an introductory statement and was examined thereon.

It was agreed that further consideration of Item 15 would be completed at the next sitting without the necessity of recalling witnesses.

The examination of the witnesses being concluded, at 11.00 a.m., the committee adjourned until 9.30 a.m. on Thursday, November 10.

M. Slack,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, November 3, 1966.

The CHAIRMAN: Order, please.

Before the Committee on Broadcasting resumes its work after the summer recess, I must ask the members to accept my resignation as chairman. This decision on my part is inspired by my concern to not place myself in a situation that could create a conflict of interest.

It is a well known fact in Montreal that my wife, Mrs. Alec Pelletier, has been working regularly over the last 20 years as a free lance script writer and scenarist in radio, television and films. At the time I accepted the chairmanship of your committee my wife was not bound by contract with any broadcasting firm. However, since she has resumed working recently, and has signed an agreement with the CBC to contribute to a public affairs program, I think it is preferable that you elect another member as your chairman.

Before leaving the chair, I want to thank you all for your devotion to the work of the Committee so far and for your active co-operation and kind indulgence toward the chairman. I also want to assure you that my personal participation as an individual member will be no less constant or intent than was my work as chairman.

Mr. MCCLEAVE: Mr. Chairman, may I ask how there is a conflict of interest? I do not think any member here would feel that there were under such circumstances.

The CHAIRMAN: I personally do not think there is any actual conflict of interest, but there is the possibility of one.

Mr. MCCLEAVE: We all have enough faith and confidence in you that we would expect you to say something should such a situation arise, but really, sir, I would ask you to reconsider, and I am sure everybody here would also.

The CHAIRMAN: I have considered and reconsidered, and I think it is far preferable that I do not place myself in this danger.

Mr. PRITTIE: Mr. Chairman, as you know, I spoke about this to you privately and I am rather of the same view as Mr. McCleave, but I know that you will not change your mind at this moment. If it is in order, then, I would move that the committee accept this resignation with regret.

Mr. MACDONALD (*Prince*): Mr. Chairman, I second the motion, and also express my gratitude and the gratitude of all the members here for the excellent service you have rendered this committee as chairman. We look forward to a continuation of both your service and your interest as an active member of the committee.

The CHAIRMAN: Thank you.

Motion agreed to.

The CLERK: Gentlemen, you have heard the resignation of the chairman. I will now call for nominations for a new Chairman of this committee.

Mr. BÉCHARD: I move that Mr. Stanbury be chairman of this committee.

Mr. PELLETIER: I second the motion.

Motion agreed to.

The CLERK: Will Mr. Stanbury please take the Chair.

The CHAIRMAN (*Mr. Stanbury*): Gentlemen, thank you very much for your confidence. It was a much easier election than the last one I went through. I am sure that this committee will work as constructively as it did in the early part of the session, and I look forward to having the same kind of co-operation from all members of the committee that Mr. Pelletier enjoyed. I am sure I will have that.

This morning we have arranged to consider the estimates of the Public Archives and National Library.

Mr. MACDONALD (*Prince*): Mr. Chairman, before we move to this consideration, may I place a few matters of concern before the committee. I would rather do it now than at the end, because I feel that at the end when people are leaving we are always rushed for time.

It seems to me in view of the fact that the government did introduce the white paper at the first part of this session that we should go through whatever channels are available to us to request that the white paper be referred to the committee so that we can deal with it.

In the light of the announcement of Mr. Ouimet's intention, and the intention of the government to bring in a new broadcasting act as early as possible in the new year, it is imperative that we consider the white paper and that we allow a certain amount of discussion in the committee and in public about it. I think it is a matter of such great importance that it will, in fact, determine the nature of broadcasting in this country for the next decade or so.

I also think that it is important for the executive of the committee to give serious consideration to other forms of enquiry the committee might make. During the summer and in the latter part of the session some of us were discussing the possibility of either the committee or, at least, representatives of the committee visiting in person some other broadcasting companies, which might widen our understanding in giving the most effective weight possible to our eventual report.

The CHAIRMAN: I think all members know that there is a motion on the order paper to refer the white paper to this committee for study, and I am sure that we will have the opportunity of which you have spoken and which I am sure all of us want. The business of the House will have to determine just when we get the white paper. Perhaps the steering committee of this committee could consider your remarks and make some recommendation to the next meeting.

Mr. MACDONALD (*Prince*): As we have already gone through about a month of activity here this fall, and we have not much more than a month remaining before the adjournment at Christmas, I do think it is important that the white

paper be referred to the committee at the earliest possible moment and any weight that the steering committee can bring to bear on this matter would be appreciated by all.

The CHAIRMAN: The business this morning is to consider the estimates of the Public Archives and National Library and, if we still have time, the National Museum. You will find the estimates of the Public Archives and National Library on page 380, with details on pages 381 to 383.

I will now call the Public Archives, Item No. 1, and ask Dr. W. Kaye Lamb, Dominion Archivist and National Librarian, to make an opening statement if he wishes. Welcome to the committee, Dr. Lamb.

Dr. W. KAYE LAMB (*Dominion Archivist and National Librarian*): Thank you, Mr. Chairman. I would like to introduce the chief administrator of services, Mr. A. C. Taylor, whom I have brought with me this morning because he has a much greater familiarity with many of the details of the appropriations and expenditures than I have.

I do not think that anything in the nature of an opening statement is necessary, except to say that all members will realize that this coming year is going to be a tremendously important and exciting year for us. It is fourteen years since the architect was appointed to design the new building for us, and about the end of the year we expect to take over the new building on Wellington Street. I think the main change is going to be for the National Library rather than for the Archives.

The Archives building has been a well known feature of Sussex Drive for many years, although large parts of the archives are housed elsewhere. However, that building remains a kind of symbol of the department, a little bit of the iceberg that shows above the ocean. On the other hand, the library has been completely hidden, really, in storage-type buildings at Tunney's Pasture, and when something suddenly appears on Wellington Street with a very fine reference collection and a book stock of between three and four hundred thousand volumes, complete with bibliographical services, I think it is going to be something of a revelation to people. I hope, Mr. Chairman, it will be a very pleasant one. I think that is all I wish to say. I will be very pleased to answer any questions of the committee.

The CHAIRMAN: Thank you, Dr. Lamb. Mr. Prittie?

Mr. PRITTIE: Will the archives continue to operate the space they have now at Tunney's Pasture as well?

Mr. LAMB: Yes. There are now three buildings at Tunney's Pasture, one of which is entirely archives, or will be when the National Library moves out, because it is occupying space in it, one largely archives, and one which is intended for us and will come to us eventually but is presently being used temporarily by National Revenue.

Those three buildings are designed as a complex of record centres and will continue with a type of operation that will not be carried on in the Wellington Street building at all. That is, for records of the government which must be retained and which are used so seldom they can be housed in less expensive storage space, office space and vaults, things of that kind. That actually is a

highly economical operation which is very advantageous from the point of view of management, and it saves the government a very considerable amount of money. The estimate of the Royal Commission on Government Organization was that when the system was fully implemented it might save up to $30 million a year, compared to other days.

Mr. PRITTIE: Roughly what percentage of the space in the new building will be occupied by the archives as opposed to the library?

Mr. LAMB: It will be just about 50-50.

Mr. PRITTIE: Will this be material that scholars and others may wish to use currently, and also some display material?

Mr. LAMB: Yes. The part of the archives which will move to the new building will consist of what we call the manuscript division. You are thinking particularly of papers and things of that kind, I presume. The manuscript division has the care of all old government records that are no longer required by departments but have long term historical interest. In addition to that, of course, we have a huge collection of personal papers and private papers, and that complete collection will be in the Wellington Street building.

Mr. PRITTIE: What will be the purpose of the Sussex Street building when the change takes place?

Mr. LAMB: The Sussex Street building is being turned over to Public Works and it will be used by another department.

Mr. PRITTIE: You are vacating it, I see. I know you are not in your new building yet but can you give an estimate of how many years this building will be able to accommodate both the Library and the Archives?

Mr. LAMB: I think it is very hard to say. It obviously depends on the speed with which this will grow. I should think for some considerable time. There is always the possibility of having a storage unit elsewhere, which many of the large libraries have had to do, so you could supplement the stack rooms when they were full and yet have adequate office space and working space to carry on there for some time. I think ultimately there will have to be two separate buildings. The building is designed both to make it possible for the Archives and the Library to function as independent units within one building and its also can be taken over by either to serve either purpose in the long run.

Mr. PRITTIE: Is is probable that the position of Dominion Archivist and National Librarian will continue to be held by the same person for a number of years in the future?

Mr. LAMB: I wonder if that question could be directed to my minister instead of to me.

Mr. PRITTIE: Mr. Chairman, I have two or three questions on staff. I notice for 1966-67 there is an increase in staff projected of 24 people, that is, staff for 1965-66 is shown as 190 and 214. Is that correct?

Mr. A. C. TAYLOR (*Director of Administration and Technical Services*): We have been working on a three-year expansion program which is not shown in the estimates. This is handled separately by Treasury Board each year. On February

1, 1966 we were allotted a new group of positions and that total is above the 214 which you see in the blue book. We have added 28 new positions to the Archives and 34 new positions since that time, which is roughly 60 more positions, during the 1966-67 year to the establishment that is shown in the blue book.

Mr. PRITTIE: That is the total of both professional and clerical?

Mr. TAYLOR: That is right.

Mr. PRITTIE: As far as your professional staff is concerned, I believe there is quite a problem in libraries all across the country. What about the Archives, are you having any difficulty in recruiting graduates for work in that service?

Mr. TAYLOR: Not on the Archives side, I think we are doing very well there. We have been getting suitable honours history students. We are in the J. A. O. Civil Service Commission program and we have been doing quite well in that. Our main problem has been with the recruitment of librarians. This has improved considerably this year. I do not know whether you have heard of it or not but we have a librarian-in-training program that has been approved by Treasury Board every three years. I refer to them as my boys and girls, and I had my first 15 in the library schools this year. I expect to have another 15 to 20 next fall and another 15 to 20 the following fall. This will help take up a good part of the slack of the problem we have had recruiting librarians. On the Archives side, we have been doing well recruiting archivists.

Mr. PRITTIE: One last question, Mr. Chairman. Have the Archives been involved in the Louisburg project? Have you staff there working with Northern Affairs?

Mr. LAMB: The Louisburg project is completely separate. We have, of course, made lots of material available to them. Our Paris office has a superintendent and a research staff for them, which they requested, and so on. However, nothing directly has been done by the Archives itself. It is a completely separate unit.

The CHAIRMAN: Any further questions of Dr. Lamb? Mr. MacDonald.

Mr. MACDONALD (*Prince*): Mr. Chairman, I am a little confused because two or three weeks ago in the newspaper I saw photographs—I think it was the Archives—depicting moving day, apparently, from their old building to the new building. You say you are not opening until the end of the year. What was that all about? I think I saw your picture, Dr. Lamb, or at least some of your staff in this process.

Mr. LAMB: This was the CBC advance notice which came out.

Mr. TAYLOR: For the past four months we had been given quite a firm date by Public Works and the consulting architects as to the actual occupancy date. The original occupancy date was August 1966. There was a six month delay until December because of problems in the foundations of the building. Public Works and the consulting architects felt that they could move the date up to October 15, and this was the moving date that was assigned to us. However, I attended a meeting late yesterday afternoon—this is why Dr. Lamb mentioned the date this morning—and the contractor is just not able to meet this October 15 date. As a matter of fact, we have a three stage occupancy program, December 12,

December 19 and December 31. In other words, they have had to come back to the original date they set in the first place.

The problem lies in the finish of the building. The interior finish is extremely intricate. They have had difficulty getting highly skilled tradesmen on the job. They have a lot of problems in this area and this has delayed the date. Everything looked well this summer for the date of October 15. As a matter of fact, we have our move organized. Tenders were called for the move and everything had been set for October 15 We are now gearing for December 15.

Mr. MACDONALD (*Prince*): You said, Dr. Lamb, that the collection of the National Library is around 400,000 volumes. Is that correct?

Mr. LAMB: It is between 350,000 and 400,000 volumes.

Mr. MACDONALD (*Prince*): In what way do you enlarge your collection? Do you have any specific terms of reference for the kind of material that is contained in the National Library?

Mr. PRITTIE: Excuse me, Mr. Chairman. I have questions on the Library, too, but I thought we were just on Archives.

Mr. MACDONALD (*Prince*): Oh, I am sorry.

The CHAIRMAN: We are on Item 1.

Mr. MACDONALD (*Prince*): All right. I will ask that question later on. I pass for now, Mr. Chairman.

Mr. PELLETIER: Dr. Lamb, after the Archives move to this new building and with new equipment, I suppose, how would you personally describe the degree of efficiency? Would you say that the Archives of Canada is operated in a highly efficient manner equal to any one in the world, or decently efficient, or do you see that we have any serious problems in that regard and how would you describe them?

Mr. LAMB: Being essentially a modest person, I would say I know of no Archives in the world that give a better service to the public than the Public Archives of Canada.

As you know, one of the things that amazes people and is most treasured by scholars is the fact that the building is open 24 hours a day. The Archives never close. As long as people come in and arrange to get material, other than very rare or especially valuable material, the staff is there to held them. The law clerks come in. They can come in day or night, week ends or any other time, and use it, which means a tremendous amount to them. For instance, it makes it possible for people with jobs in Ottawa to carry on research on evenings and week ends. It makes it possible for a person who travels from Vancouver or St. John's or Halifax, at great expense and with limited time, to make the most of his time. They can work as many hours a day as they wish. I do not know if any other institution does this. There is a certain risk involved, there has to be, but the losses involved have been negligible because people regard this as a privilege and realize that if it is abused it will perhaps be removed. Generally, the body of scholars value that privilege so highly that I would expect it to continue without any difficulty. It is a service that to my knowledge is unique. With regard to advisory services, I could show you letter after letter which people

have written saying that they have not received service elsewhere equal to what we try to give them. I am very proud of my staff, sir.

Mr. PELLETIER: A point of information, now. Where can a member of this committee find a list of your personnel to get an idea of how many and who are the persons who work there and their qualifications? Is there a list available that members of this committee could lay their hands on?

Mr. TAYLOR: We do not have a list as such, but we could without any trouble at all give you information on any individual from our personnel records. In fact, we could prepare a list quite readily. We do have a comprehensive file record on every staff member in the department, but we do not have a record for publication as such. We could make it available very easily.

Mr. PELLETIER: I think you see my point. In order to become informed on the service itself I think it would be very useful to know who is working there and what qualifications are required, because Archives is a field that is quite foreign to most of us.

The CHAIRMAN: Is it the committee's wish that such a list be distributed to the members of the committee?

Mr. LAMB: Do you wish the entire staff or just the professional staff?

Mr. PELLETIER: It is my personal wish that it be the professionals.

The CHAIRMAN: Will this be convenient?

Mr. LAMB: Yes.

Mr. MACDONALD (*Prince*): Will you include in that, along with their qualifications, the responsibilities of the various staff members.

Mr. LAMB: I think probably the best thing to do would be to arrange them in the form of the organization of the department, showing the way it is organized and, showing what positions the people hold. Would that not be the best way to do it?

Mr. TAYLOR: Yes. We have a capsule description of the functions of the Archives and the National Library that we use for training our new employees and we have a small functional chart that goes with this. In other words, we try to train our employees immediately they come into the department to give them some understanding of the complete function of the department. We could give you this as well as the names of the key professional individuals and include a capsule description of their responsibilities.

The CHAIRMAN: Would you like to have that provided? Is it agreed?

Agreed.

Shall Item 1 carry?

Carried.

Item 5—*the National Library.*

Mr. MACDONALD (*Prince*): I am interested in the kind of volumes that are normally acquired by the Library. What terms of reference do you have with regard to the volumes you assemble?

Mr. LAMB: I think it would be wise to take a minute and place the National Library in its setting in the system of departmental libraries of all kinds owned by the government in Ottawa, which are between 35 and 40 in number.

First of all, there is in existence under the National Research Council a large scientific collection specifically named by statute, which you will notice went through the House recently, called the National Science Library. That is a first rate scientific collection, not in all fields but in a great many fields of science, which gives a national service. It does not just serve the National Research Council. As the title implies, it is a national science library and, of course, for that reason it is a field in which we do not enter at all. We take care that we do not duplicate it. As a matter of fact, the National Library and the National Science Library work as two blades of a scissors. We have telex, telephone, messenger and mail service between us all the time. No matter what request comes in, it is sent immediately to the one of us who can deal with it most effectively. That means that we are in a sense outside the scientific field, although we have many bibliographies and references in the field of science in order to trace publications that people ask us to find.

There is another large library in Ottawa, the Department of Agriculture library, which is a first class library in the life sciences, and because it is there we stay outside that field. Agriculture is tied to us, and this is another library that gives a national service and lends books all over the country, as we do. We are furnishing a central reference service and we are dealing in fields that are not dealt with elsewhere. These are primarily in the social sciences and the humanities.

In addition, to that, of course, we also gather all Canadian material. This is something that has not been done previously. The first function of any national library is to gather the literary output of its own country, and we do that. We collect, in so far as we can find them, and we have people specially searching for them, everything published in Canada that relates to Canada or that is written by a Canadian. That is important because so many Canadians publish books abroad. For instance, Kathleen Jenkins in Montreal has just published a history of Montreal, entitled "Montreal—Island City of the St. Lawrence". If you look at the imprint it says New York Doubleday. That is a completely Canadian book and must be in any collection of books relating to Canada. We go after books in the United States, France, Great Britain and everywhere else in exactly the same way.

Our general field will be the social sciences, on which the Ottawa libraries are very weak on the whole, and we have succeeded in building up quite a collection here.

For the last ten years or so we have been trying—because of limitations of staff it has had to be a limited operation—to collect the cream of the books published in the United States, France and Great Britain year by year, and we already have a very substantial collection.

Perhaps you have heard of the national union catalogue. We have a catalogue that combines the catalogues of 250 libraries right across the country. If you ask us for a book we can tell you, if your reference is correct—and the references which come in are not always so—we can tell you in a matter of

minutes how many copies are in the country and where they are, and we will ask the library which has the nearest copy to make it available to you. A gauge of how effective our own collection is becoming is by the rising percentage of books for which we are asked that we find on our own shelves. That now amounts to about 15 per cent of the thousand or so books that we are asked to locate every week. Remember, we are asked for books that cannot be found elsewhere, so that percentage means much more than it ordinarily would. The function of the Library is that it acts as a central catalogue for all government libraries. We know the contents of all the different libraries in Ottawa and we can tell any one of those libraries if a book it wants is in another library, or if not, where it is available in this country.

We are gradually building up a good general reference collection, a big bibliographical collection, a big Canadian collection and we are building up strength in the social sciences and humanities, which supplement the other collections.

Mr. MACDONALD (*Prince*): Do you have a central catalogue of all these 35 libraries which you can relate to government agencies here in Ottawa?

Mr. LAMB: Yes, and to over 200 libraries outside Ottawa, including all the universities, the legislative libraries, the reference collections and all the big public libraries.

Mr. MACDONALD (*Prince*): Can you loan books out directly to persons?

Mr. LAMB: No, it is always through another institution.

Mr. MACDONALD (*Prince*): Always through an intermediary?

Mr. LAMB: Yes. You have to have somebody to take a guarantee at the other end. If a man in Calgary wants a book he will go to the Calgary public library or the university of Calgary and they ask for it. They know him. They take the responsibility of lending it. We lend to the institution.

Mr. MACDONALD (*Prince*): I take it in that case that all these libraries that you mentioned must have a catalogue of what is in your library in order to—

Mr. LAMB: No, no.

Mr. MACDONALD (*Prince*): They do not?

Mr. LAMB: No. The normal procedure, if a scholar comes in and he needs a book and it is not available there, they say, "We will ask the National Library for it." They ask for it. If we have the book we lend it. If we do not have the book we say, "There is one in the University of Toronto and we will ask the University of Toronto to send it to you", or wherever the nearest copy happens to be. Incidentally, we find between 80 and 85 per cent of all the books people ask for in some Canadian library.

Mr. MACDONALD (*Prince*): Does it not make it a little more complex, because in order to know whether you have got the book they have to write you and you have to write back and let them know whether you can get it.

Mr. LAMB: You are wondering if it would be possible for them to have a copy of our catalogue?

Mr. MACDONALD (*Prince*): Yes.

Mr. LAMB: The catalogue has 7 million entries and it is updated at the rate of 1200 to 1500 entries per day. The cost of keeping it up to date and posting copies is just prohibitive. It is far better for them to write or telex, or something, and ask.

Mr. TAYLOR: Telex communication is so quick now. Each year there are more libraries hooking up to us with telex, so that we give almost instantaneous service to the libraries which are hooked up to us with telex.

Mr. MACDONALD (*Prince*): How many libraries do have telex connection with your library now?

Mr. LAMB: I think there are now 20. Two or three more have just joined. Laval University and the University of Waterloo have just put it in recently. I think it is about 20, and they stretch from Fredericton to Vancouver.

Mr. MACDONALD (*Prince*): Would these be primarily university libraries rather than public libraries?

Mr. LAMB: Not all universities, primarily universities, but not all. Toronto Public Library has it and the central library service in New Brunswick has it, that is, the provincial government public library service has it.

Mr. MACDONALD (*Prince*): None of the universities in Nova Scotia, Newfoundland or Prince Edward Island has it.

Mr. LAMB: Just one minute. I have just heard that St. John's, the Memorial University, has just put it in. So it goes to St. John's now.

Mr. MACDONALD (*Prince*): So Nova Scotia and Prince Edward Island would not have it.

Mr. LAMB: Nothing has been done; nothing in Nova Scotia or Prince Edward Island.

Mr. MACDONALD (*Prince*): But in Western Canada this service would be available in most of the major universities.

Mr. LAMB: It is available in Regina, Calgary, Edmonton, Winnipeg, Vancouver and Victoria and coming a little bit into Ontario, Fort William.

Mr. TAYLOR: With telex, of course if there is an urgency in a smaller community, if the telex is in the railroad community there, they can very easily come through that telex system to us and this does happen quite frequently.

Mr. LAMB: And a few come in from commercial companies, somebody would use say Imperial Oil's telex.

Mr. MACDONALD (*Prince*): Do you ever provide a photostatic service of perhaps copies of articles in periodicals, and this kind of thing?

Mr. LAMB: Well, we would use the type of reproduction that would be the most suitable and cheapest. We have microfilm, photography, xerox and photostat.

Mr. MACDONALD (*Prince*): But if somebody was looking, say, for a three or four page article from a periodical of ten, fifteen years ago, you could provide it?

Mr. LAMB: Oh, yes; we are doing that all the time and for that we would use xerox because it is much cheaper. It is also the quickest, it is simple, you can do it in a few moments.

Mr. MacDONALD (*Prince*): Right.

Mr. PRITTIE: You get all the books published in Canada. Does this include fiction, too?

Mr. LAMB: Yes.

Mr. PRITTIE: Does it include any fiction?

Mr. LAMB: Oh, yes. It includes publications regardless of content.

Mr. PRITTIE: I see.

Mr. LAMB: It has nothing to do with content. Two copies of every book published in Canada must be deposited with us, unless the combined retail cost of two copies exceeds $25, in which case we ask for only one.

Mr. PRITTIE: It would include cheap pocket books with lurid covers, you would get all of these, if they are published in Canada.

Mr. LAMB: Yes. We have a price limit of 25 cents so that all the children's comics and things like that do not come.

Mr. MacDONALD (*Prince*): They are only ten cents.

Mr. PRITTIE: So anything published of significance that costs less than 25 cents you do not get.

Mr. LAMB: Oh well, if we get track of something significant, we ask for it.

Mr. PRITTIE: O.K., thank you.

In each of your reports you commented upon the supply situation of professional librarians. I have looked at your reports and at statistics of the Dominion Bureau of Statistics on it. I suppose you are running with a chronic shortage, are you?

Mr. LAMB: Well, the shortage is much less serious than it used to be, I think for two reasons. First of all, the library schools—there is a new library school at the University of British Columbia, as you know—and the library school classes have increased; the facilities available in schools have increased very materially. The University of Toronto school, for instance, has a registration this year three to four times of what it would have three or four years ago, and so actually the supply of librarians is considerably greater than it was. Secondly, there is no doubt about it that our building, which has been repeatedly delayed, and which people came to think was never going to be built, has had a tremendous effect. People say, well this thing is a fact; there is going to be a national library; this is quite exciting, I like to belong to it. It undoubtedly has had a major effect on recruiting and will continue to have.

Mr. PRITTIE: I just saw the ad from the Civil Service Commission, which came out last week as 66-41-10. It was mentioned earlier in reference to the summer training. This seems to be taken from the type of thing the armed forces were doing. The government finances people through their professional training with an obligation to serve the government after they graduate. It seems a rather good idea to overcome the shortage and apparently there has been a fairly good response already.

Mr. LAMB: We have fifteen in library school this winter.

Mr. PRITTIE: Just one other question, Mr. Chairman. I notice you have this National Library Advisory Council. I just recognize one name, a librarian of the University of British Columbia. Are all the other people librarians?

Mr. LAMB: No.

Mr. PRITTIE: If they are not, what is the purpose of them?

Mr. LAMB: If you have the list there, Mr. Antonio Gillette is a librarian of Laval University; Mr. Ganong is librarian of Acadia University; Miss Meikleham was, until recently librarian of McMaster University; Mr. Morley M. Bell is a lawyer living in Summerside; Father Filion is librarian of Laurentian University; Mrs. Evelyn Woods lives in Brandon; she is very prominent in community affairs there. Dr. Gertrude Gunn is librarian at the University of New Brunswick; Dr. Patton is with the Grenfell Mission in Labrador and Mr. Stewart Stubbs is the librarian at the University of British Columbia. That is six librarians out of nine.

Mr. PRITTIE: Thank you. How frequently does the group meet?

Mr. LAMB: Usually once a year.

Mr. PRITTIE: I have no other questions. I was just concerned about the staff situation, which apparently is improving with increased enrolments at the university library schools and you think this new system will give you your share of the—

Mr. LAMB: I think it is significant that within the last little while we have succeeded in recruiting or laying hands, one way or another, on fourteen librarians,—I was just looking at the list the other day—and that is in addition to the fifteen who will be coming to us in the spring from the training program, assuming that we do not succeed in finding any anywhere else, and twenty-nine new librarians is of tremendous assistance to us. It will make an immense difference to our work in the getting on with the program.

Mr. PRITTIE: Thank you.

(*Translation*)

Mr. BÉCHARD: My questions are in French, doctor Lamb. Just now there is a reference to the catalog of books in the possession of the National Library. Is this a bilingual catalog?

Mr. LAMB: Yes, it is.

Mr. BÉCHARD: My second question refers to the list of books which has to be supplied by the publishers to the National Library. The law obliges the publishers to supply a list of the books they publish. Are there any publishers who do not supply that list?

Mr. LAMB: No. Everything must be sent.

(*English*)

The CHAIRMAN: Shall item five carry?

Mr. MACDONALD (*Prince*): I have another question that just came to my mind when Mr. Prittie was asking his questions.

It has been the tradition, I think, to think of libraries as places where we deposit or retain books and periodicals, in other words, any kind of printed matter, and that this was the basic repository of all information and wisdom, but we have moved into an era now where a great deal of our culture, a great deal of our self expression is no longer in the printed form, but it is on film, it is on video tape, it is on recording tape and disc. In light of that fact, and I would imagine that this is one of the basic reasons for the National Library to preserve all the material there is, specifically having a bearing on our culture, is there any facility at present for retaining either certain representations on film or video tape, or recording a good deal of the communication that we are having inside our country. In other words, does the National Library have facilities for storage and for the cataloguing of the various programs and recordings.

Mr. LAMB: This is a field of which we are very much aware. It is a field in which we have not, because of the lack of staff, the facilities to maybe do a great deal, but we have experimented sufficiently that we know how to look after films, we know how to look after tapes and so on. But this is a question, actually, that runs over into the archival field, as you have the whole problem: for instance, take the CBC. In broadcasting systems they have a mass of material. CBC has two archivists. Of necessity they are always looking at things, from the CBC point of view. Are they also looking at them sufficiently from the national point of view and I have had various discussions with CBC about that. One of the problems in broadcasting, which is a very important element of this, is the enormous volume of it. When you consider T.V. the number of hours per day, the different T.V. programs on some networks, it would take an enormous staff to check it and know what is was all about. It is a real problem. In so far as one other aspect of this is concerned, that is, automation and use of computers and everything, we are moving cautiously but steadily into this field. As far as the library is concerned, the chief activity there ultimately will be in the field of bibliography and we must wait for the final details, the final programming to be determined by the Library of Congress.

The Library of Congress for practical purposes bibliographically controls this continent. You must mesh with it. It has such a prodigious output of data that whatever you do, you must mesh in, so that you could receive and then you could give. I think it will probably be another couple of years before the Library of Congress completes its programming and really moves into catalogue data in machine readable form, which is transformed to tapes. Just at the moment there is an experimental tie-up between the Library of Congress and the University of Toronto Library, which we are watching very closely. The first transmission of bibliographical data by data processing is about to take place within the next week or so.

Mr. MACDONALD (*Prince*): These are all visual?

Mr. LAMB: No, it is, in effect, by telegraph. This is something we just have not been able to do because of lack of facilities and lack of staff. I can assure you we are very much aware of the problems.

Mr. MACDONALD (*Prince*): It is of great concern to me because it is my understanding that at present the archive facilities of the CBC—since you mentioned the CBC—are chaotic and that it is almost impossible, once a program has been produced and filed away, to ever discover it again. This has been a

source of some embarrassment to people who have at times tried to get a film clip of a particularly important broadcast and have not been able to discover where the film has been placed. When you think of some of the memorable productions that have been produced on radio and television I think it is a tragedy. There is also the fact that undoubtedly within the next decade we are going to have a great deal more facilities for home viewing of things like videotapes and films, and it is imperative, I would think, that an agency such as the national library should be in the forefront of assembling the very best material that already has been produced. Now, we are some 50 years into this visual field and little has been done to date by way of cataloguing these materials. I would hope that the national library would make every move possible toward this end. It does not seem likely that the CBC, with all its other concerns, are going to get very involved with their own archives, and perhaps it is important that the national library and the national archives take up the cudgel on this—plus the fact, as you were saying, not all material of substance is being produced by the CBC, and I would think that it is important that we assemble this material and have it available, along with this excellent material that already has been produced.

(Translation)

Mr. PELLETIER: Mr. Lamb, the existing obligation for publishers to send you two copies of everything that they put out, does not apply to film producers. There is no sort of collection in that field, at all, is there? No films or film scores either for the Public Archives or the National Library?

Mr. LAMB: It only applies to printed works.

Mr. PELLETIER: Does the National Library make it possible for people to use French as a working language, to submit reports in French, etc. Is it actually done?

Mr. LAMB: Yes, I think it is.

Mr. PELLETIER: What is the proportion with reference to the total operation? What is the proportion done in French?

Mr. LAMB: In every section you find people who can discuss and explain things in French.

Mr. PELLETIER: Yes, but with regard to the actual internal operations of the Library, i.e. in the contacts between the various services and yourself, as well as in your own office, is the use of French commensurate with the actual proportion of French in your collections?

Mr. LAMB: Oh, yes, most certainly.

Mr. PELLETIER: Thank you.

(English)

Item 5 agreed to.

The CHAIRMAN: We have the estimates of Secretary of State.

NATIONAL MUSEUM OF CANADA

15. Administration, Operation and Maintenance, $2,240,000.

Present with us this morning are Dr. Richard Glover, Director of the Human History Branch; Dr. Frank Banfield, Director of the Natural History Branch, and Mr. Thomas Russell, Administrative officer.

Would one of you gentlemen, or perhaps Mr. Steele, like to come forward and make a presentation to the Committee.

Mr. G. G. E. STEELE (*Under Secretary of State, Secretary of State Department*): Mr. Chairman, I thought that I would start off even though those whom you have named are here. I may, with your permission, ask them to answer certain technical questions, if the need arises.

The CHAIRMAN: Would you like to make an opening statement?

Mr. STEELE: I would like to draw the attention of the Committee to one recent event, Mr. Chairman. The Civil Service Commission has recently approved the appointment of a third person at the level of director in the National Museum to carry out the planning for the national museum of science and technology. This has been anticipated and foreshadowed in the estimates of the museum for several years and it is only now that we have reached the stage where we can move ahead with this, with the intention of deriving a plan for such an institution and making recommendations to the government for not only the building but the actual concept for such a museum. I think this is new and although it is provided for in the actual estimates the Committee might not be aware of the fact that this is so.

We have had traditionally, over the years, a national museum which was in two main parts, a museum of human history and a museum of natural history. The natural history side explains itself. The museum of human history is a museum which addresses itself to the whole question of man in Canada from the prehistoric periods down to the present time. We are building an historical section in that museum with this kind of a presentational problem in mind.

Mr. PRITTIE: Mr. Chairman, the report on page 18 states that in the late summer it was decided to defer the date of the completion of the new human history museum. I was not aware that it had ever started. Is it under construction now?

Mr. STEELE: No, I am afraid it is not, sir. The way the report is worded might mislead you. It is started in the sense that the plans, which were commenced a number of years ago, for the actual new buildings for the museum, are well advanced. Had it not been for the necessity of the government re-appraising its policies in the whole field of construction we undoubtedly would have had a contract let on those plans this year. When we talk about a completion date, it is really a completion date postponement based on an earlier assumption that we would have started the construction of the new museum this year.

Mr. PRITTIE: Have you any idea now when it will begin and when it will be completed?

Mr. STEELE: No. We are presently "taking advantage," if I may use those words, of this yet further delay to take a look at the whole concept of where museums should be located in Ottawa. In view of the fact that we certainly are getting ahead with planning for the museum of science and technology, we are

taking a look at the next 10 or 15 years of development in the national capital, in a sense, and the requirements which, if we were planning today for these institutions, we would like to see satisfied. We have actually commissioned and we will receive shortly for our own consideration first, a complete reappraisal of the needs for new museums. What I am really saying is that these plans which have been postponed for so long for the execution of a new museum, have caused us to wonder whether they are still the right plans, right in terms of the type of building, its size and location. We have a review of this type under way and, as far as the timetable is concerned, I should think it will set the completion date back by at least two years beyond what we might have earlier contemplated. In any event, had the museum been started this year, we could not have contemplated being in a new building in connection with, say, the two main segments that we now have, human and natural history, until perhaps 1972. We thought of this as being at least a three year construction job, and beyond that period it takes a further year to actually house oneself in the new institution. Therefore, we are talking about something that is going to take four to five years from when you start it. If it is delayed a further year, it certainly would be the mid-70's.

Mr. PRITTIE: It sounds to me like you have another 10 years in the old Victoria building.

Mr. STEELE: We do not like to think this is so, because everyone knows the condition of that building, we certainly are taking every step we can to make sure we provide for the expansion outside of that building. You are quite right; we would expect to see the Victoria museum in existence for a few years yet.

Mr. PRITTIE: Is it still sinking?

Mr. STEELE: We have had a report on this recently from the Department of Public Works because, by co-operation with them, the Victoria museum is under constant observation. There are a set of test instruments in there which satisfy the curiosity of structural engineers as to whether or not there has been any settling, and I am happy to report that the recent report on this, which takes place at six month intervals, shows there is no change. I do not know whether you are all aware of the condition of that museum or the real basic problem. The problem is it is sitting on a pad of clay and this very dense material which has a lot of water in it. What really worries the structural people is that if something drastically changed the water content of the material it is sitting on, it might sink further. I am told, it has been in a position of relatively stable equilibrium since immediately after construction, because the first damage that was done to it all occurred within the first several months or a year after the building was completed. What has happened since has been quite marginal compared to the settling that first took place.

Mr. PRITTIE: I have one or two other questions, Mr. Chairman. First, I think there should be a word of commendation to the museum staff. I have taken children there on a Saturday and it is a great centre of activity, with the various types of scientific clubs, films and general viewing by children. Certainly the public has made very good use of it.

The only other question I have has to do with staff. I would imagine in the field of human history, zoology and the other sciences you are concerned with, that you are competing for university graduates, like everyone else. How are you

making out in that connection? What is the staff situation in your important scientific branches?

Mr. STEELE: I would have to call on the directors to give you a precise report on whether or not we have an inordinately large number of professional vacancies at the present time. My impression of the last year has been that we are at least holding our own. We have managed to fill one or two scarce skills, but we are under constant pressure, as you say, from the university community particularly, where salary structures have been going up, and rightfully so. In terms of the museum research staff, you are not looking for the graduates; you wish to attract people with, say, post-graduate skills. We are trying to bring people in that have an established scientific background in one of the specialties, and this is difficult. We have it under constant review, and perhaps one of the two directors would like to mention a word on this. I think Dr. Banfield, in the natural history science, certainly has had to bear the brunt of the competition for people in the natural sciences.

Mr. PRITTIE: Do the heads of your sections, such as chief zoologists in paleontology, receive salaries comparable to that of a full professor?

Mr. STEELE: No, although they are below a full professor's salary at the present time, they are under constant review. Within the public service, as a whole, there has been quite a massive reappraisal going on of the whole structure of civil service salaries, and the professional component of this has posed some special problems. I would say these discussions are still under way and the base line we are looking at is the full professors' salaries in the universities. Correct me if I am wrong, but I would say our own salaries for heads of division people, say, with doctorate qualifications, are certainly below the full professor salaries in the universities.

Mr. PELLETIER: I would like to ask you what exactly is the meaning of the phrase we hear quite often in these surroundings "that it is under constant review". You told us in the case of the buildings, but what does it mean when you say that?

Mr. STEELE: In the case of salaries I mean just that, that the whole problem of salary structures in professional levels is such a dynamic one and is moving so quickly that when you are competing for professional staff in this world, you have to know what is happening to salary structures outside and what these offers are that people are receiving. You have to keep representing to the Civil Service Commission and others that this is the situation so you can retain not only the staff you have but hope also to attract other people.

Mr. PELLETIER: I have a question about—if I can use the term—the philosophy of a museum. I suppose that it serves a dual function, one of which is to have collections that are saved for the future, and the other is a display for people to come and see. In view of that dual role, is it conceivable or do you think it would be workable, for a museum like the National Museum, to be located somewhere else in Canada, let us say near a larger city than Ottawa, where it could serve its second purpose much more efficiently; or is that inconceivable because of the nature of the institution?

Mr. STEELE: It is certainly not inconceivable, Mr. Pelletier, because of the nature of the institution. In a country that is as large as Canada, and where you have a few museums as we have of any stature, and where we are, as a national government, responsible for a national museum, this becomes a real question of whether or not you deliberately put it say, near a larger population centre, so that you can at least attract more people from that centre, or whether you say you will never be able to accomplish the job of making this truly national so that all Canadians will feel identified with it, and you do your best to overcome that by some other means, through the extension program of the museums, perhaps. We would like to do more in the general educational role; we would like to do more to put travelling displays and exhibits on the road throughout Canada, and we would like to have a closer working relationship with other museums so that there can be exchanges of exhibits. I would foressee this as one of the things to which we will certainly pay far more attention. We would like to use more effectively the other visual media for communicating what a museum is.

Then, it seems to me to become a matter of whether or not you wish these national institutions to enhance the role and symbolism of the national capital itself. We feel that having these great cultural institutions here does do something for the image of the national capital.

Mr. PELLETIER: Yes. But my worry is whether we are not selecting the symbolic or image value rather than the actual service rendered. I know it is a conflict between policy and philosophy.

Mr. STEELE: It is a conflict which you have to recognize.

Mr. PELLETIER: I have a more specific question and it is a short one. I have heard from shell makers and anthropologists who are interested in Indian collections that there are Indian collections in the National Museum which are in a state of desperate neglect, that they could burn over night and Canada would be deprived of them. I have been told—and I am not a specialist so I cannot check—that there are valuable collections all right, but great concern has been expressed about the manner in which they are stored and displayed. Is there any truth in that?

Mr. STEELE: I would hope there is no truth in it. We have had an incident recently, which I think I might disclose to the Committee, which bothered the directors and myself. This is an old building; it is a cluttered building, and the possibilities of serious damage, through some accident, fire or incident of this type, is always present. I would like to investigate this particular comment myself to find out whether any of our important collections are really being stored or handled in a way which would lead to their deterioration.

I have no hesitation in saying to you that this is a constant concern of the staff and that they are very conscious of this need. The conservation program, by and large, is first class and, in fact, when we are ever asked to place artifacts or material outside the National Museum to display them elsewhere, one of our main concerns is can they be handled with the same amount of care which they would receive if they were in the National Museum? I would like to look into this question you have raised.

Mr. BÉCHARD: Mr. Steele, have you ever thought of building the future National Museum across the river in Hull?

Mr. STEELE: Mr. Béchard, in this review that is underway, it was specifically given to the group who are carrying this out as a suggestion, if not a direction, that they let their minds range over the whole problem of the Ottawa-Hull area. So, certainly this has been in our minds. I do not know what the criteria would be for where you should locate institutions of this type. You may be very familiar with the views of some architects and planners who worry whenever major cultural things are removed from the heart of a centre—I take the centre as being the whole Ottawa-Hull area—and this would be of some concern to move this some distance from the centre of the city. That is one concern you have. The other would be how is it going to be for the accessibility of people. How can you place it so it will be accessible to all the range of people who will come to such an institution. Then you are concerned with what a museum does and where it should be in terms of all of its back-up functions including storage, the research functions and the people who work there. These are the types of concerns at which you look. The actual geography of where it is located, as to whether it should be on one side of the river or the other, seems to me less important than what you are trying to satisfy—that is, what it should do.

Mr. MACDONALD (*Prince*): My question is related to Mr. Pelletier's question about the location of this National Museum in some centre other than Ottawa. You mentioned that attempts are made to have travelling exhibits and an extension program. How thorough going is this? How much of the materials of the National Museum are made available, in what manner, and with what regularity?

Mr. STEELE: Perhaps not as much as there should be in a properly organized program of extension education and the directors, I think, would share my view about this. However, we do get a surprising number of applications from all parts of the country for co-operation and for the placing of museum material on permanent loan. We have a policy about this where we try to be as helpful as possible in meeting these needs. We recently had the pleasure of providing a complete dinosaur skeleton to one of the museums in Alberta because the great Canadian dinosaur collection is in the National Museum.

On the question of travelling exhibits, this requires a fair bit of planning and work yet with these other museums and others who are interested in this sort of thing in the other parts of Canada. I would say that this part of our activity will receive a fair amount of attention in the next few years.

The CHAIRMAN: Gentlemen, there is another committee meeting scheduled for this room at 11 o'clock. If there are important questions which you would still like to ask Mr. Steele, perhaps he would come back again. If further information is required you could contact Mr. Steele directly, and perhaps we could excuse him and the other representatives from the National Museum at this time. While we are not in a position to pass this item this morning, would it be agreeable if they were excused and not be asked to come back to the next meeting?

Mr. STEELE: We would be glad to come back.

The CHAIRMAN: Or do you feel you would like to have them back again? Are there still questions which you feel you would like to raise in the Committee.

Mr. MACDONALD (*Prince*): I was just wondering if there would be an opportunity for discussion of Item 1 in a general way, at which time Mr. Steele would be here, or does this conclude all the estimates?

The CHAIRMAN: This would conclude the estimates of the National Museum. The only other estimates we have before us then are the Civil Service Commission, the National Film Board, the C.B.C. and the B.B.G. While I suppose Mr. Steele will be back again, I do not suppose the representatives of the museum will be here, unless you wish to have them come back.

Mr. PRITTIE: I would like to have them back but I know it is impractical. I know how much work we have ahead of us.

The CHAIRMAN: I am sure they would be very glad to deal personally with any member of the Committee on any points of information.

Mr. STEELE: We are completely at your disposal, Mr. Chairman. We would be glad to answer any questions.

The CHAIRMAN: Is it agreed, then, that the consideration of Item 15 will be continued at the next meeting but that we will not require the witnesses to return?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Thank you very much, Mr. Steele, Dr. Glover, Dr. Banfield and Mr. Russell for coming here.

Gentlemen, the next meeting of the Committee, I suggest, might be at 9.30 next Thursday, one week from today. At that time it has been arranged that the Civil Service Commission's estimates could be considered provided the Chairman, Dr. Carson, is not required by the Joint Committee of the Senate and House of Commons on Public Service, at that time. If that is agreeable we will adjourn until next Thursday at 9.30.

There has been wish expressed by the Steering Committee that we might visit the National Film Board headquarters in Montreal and consider the estimates of the board at the time of such a visit. I think the Steering Committee will be meeting again before the next meeting of the Committee and perhaps at the next meeting of the Committee we might settle on the procedure for the consideration of the Film Board's estimates.

Unless there is any further business now, I will receive a motion for adjournment.

On motion of Mr. Prittie the Committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 26

THURSDAY, NOVEMBER 10, 1966

Main Estimates (1966-67) of the Department of Secretary of State (National Museum of Canada) and the Civil Service Commission.

WITNESSES:

From the Civil Service Commission: Messrs. J. J. Carson, Chairman; G. A. Blackburn, Director General, Staffing Branch; A. R. K. Anderson, Director, Advisory Services and Appeals.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24731—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Laprise,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	[1]Mr. Mather	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Stafford,
Mr. Hymmen,	Mr. Munro,	Mr. Trudeau—(25).
Mr. Johnston,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

[1] Replaced Mr. Lewis on Thursday, November 10, 1966.

ORDERS OF REFERENCE

THURSDAY, November 10, 1966.

Ordered,—That the name of Mr. Mather be substituted for that of Mr. Lewis on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

MONDAY, November 14, 1966.

Ordered,—That the Standing Committee on Broadcasting, Films and Assistance to the Arts, be granted leave to meet in Montreal on Monday, December 5 and Tuesday, December 6, 1966, (or such other dates as circumstances may require) for the purpose of visiting the headquarters of the National Film Board and examining its officials, and also to visit the Montreal production centre of the Canadian Broadcasting Corporation, and that the Clerk of the Committee and supporting staff accompany the Committee to Montreal.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

24731—1½

REPORT TO THE HOUSE

THURSDAY, November 10, 1966.

The Standing Committee on Broadcasting, Films and Assistance to the Arts has the honour to present its

TENTH REPORT

Your Committee recommends that it be granted leave to meet in Montreal on Monday, December 5 and Tuesday, December 6, 1966, (or such other dates as circumstances may require) for the purpose of visiting the headquarters of the National Film Board and examining its officials, and also to visit the Montreal production centre of the Canadian Broadcasting Corporation, and that the Clerk of the Committee and supporting staff accompany the Committee to Montreal.

Respectfully submitted,

ROBERT STANBURY,
Chairman.

(*Concurred in on Monday, November 14, 1966.*)

MINUTES OF PROCEEDINGS

THURSDAY, November 10, 1966.
(44)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 10.00 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Asselin (*Charlevoix*), Béchard, Berger, Fairweather, Hymmen, McCleave, Munro, Pelletier, Prud'homme, Stanbury—(10).

Member also present: Mr. Mather.

In attendance: From the Civil Service Commission: Messrs. J. J. Carson, Chairman; K. C. Foster, Director, Personnel and Administration; G.A. Blackburn, Director General, Staffing Branch; A. R. K. Anderson, Director, Bureau of Classification Revision; J. A. Murray, Director, Advisory Services and Appeals.

The Committee proceeded to the consideration of the Estimate for the Civil Service Commission, and the Chairman called Item 1, Salaries and Contingencies.

Mr. Carson, introduced his officials from the Civil Service Commission, and then made an introductory statement.

Mr. Carson was examined, assisted by Messrs. Blackburn and Anderson.

The examination of the witnesses being completed, they were permitted to retire.

The Chairman then read a letter of resignation from Mr. Basford, the Vice-Chairman of the Committee. The Committee agreed to accept the resignation with regret.

On motion of Mr. Béchard, seconded by Mr. Asselin (*Charlevoix*), Mr. Berger was elected Vice-Chairman.

The Chairman presented the Eleventh Report of the Subcommittee on Agenda and Procedure, dated November 10, 1966, as follows:

Your Subcommittee recommends that:

1. Your Committee consider the Estimates of the C.B.C. on December 17 and November 22 and the Estimates of the B.B.G. on December 1.
2. Your Committee requests permission from the House to meet in Montreal on December 5th and 6th (or such other dates as circumstances may require) for the purpose of visiting the headquarters of the National Film Board and examining the Officials of that Board,

and also to visit the Montreal production centre of the Canadian Broadcasting Corporation, and that the Clerk of the Committee and supporting staff accompany the Committee to Montreal.

On motion of Mr. Béchard, seconded by Mr. Asselin (*Charlevoix*),

Resolved,—that the Eleventh Report of the Subcommittee on Agenda and Procedure be now concurred in.

Item 15, National Museum of Canada, was adopted. (*Note: Witness was heard on November 3.*)

Item 1, Civil Service Commission, was adopted.

At 11.30 a.m., the Committee adjourned until 9.30 a.m. on Thursday, November 17, 1966.

M. Slack,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, November 10, 1966.

The CHAIRMAN: Gentlemen, may I ask Mr. Carson to come forward, please.

Mr. J. J. CARSON *(Chairman, Civil Service Commission)*: Mr. Chairman, may I bring my colleagues.

The CHAIRMAN: Of course, please do. We have before us this morning the estimates of the Civil Service Commission, Item 1, and I would like to introduce Mr. J. J. Carson, Chairman of the Civil Service Commission, and ask him to introduce his colleagues and to make an opening statement.

CIVIL SERVICE COMMISSION

Item 1—Salaries and contingencies of the Commission including compensation in accordance with the Incentive Award plan of the Public Service of Canada... $8,087,900

Mr. CARSON: Thank you, Mr. Chairman. Gentlemen, if I could introduce Mr. Blackburn, Director General of our Staffing branch sitting next to me; Mr. Foster, the Director of our Administrative branch; Mr. Ross Anderson, the Director of the Bureau of Classification Revision; and Mr. Murray, who is the Director of the Advisory Services and the Appeals branch of the Commission.

These are the four main branches of the Commission's activities. In case any of you have detailed or specific questions that you want to raise with respect to staffing problems or appeals problems or classification problems, I felt it might be helpful if I had them with me.

Mr. Chairman, addressing yourself to our estimates is a difficult task because this is a very moving scene. It is hard to really make any direct comparisons year by year at this stage in our performance and in our requirements because the nature of the Commission's role is changing gradually at this point. However, it will change quite rapidly, I think, over the next few months if Mr. Fairweather's committee takes the new Public Service Employment Act successfully into the House and it will change the total role of the Civil Service Commission, which has been historically an agency responsible for not only staffing the Public Service but for making recommendations on pay and classification and leave, and a lot of other areas that will become the subject matter of collective bargaining with the passage of the proposed new collective bargaining legislation.

This means that a large number of our staff will transfer out into the departments and over to the Treasury Board. Against that potential reduction in our staff we have certain added responsibilities which make comparisons very difficult. The government, as you know, have embarked on a program of bilingual training in the headquarters staff of the civil service and this task of

language training has been laid on the Commission's doorstep to administer. We have to grow and increase our staff in the area of language training very rapidly which, unfortunately, prevents us from showing to you offsetting savings in the things that will be leaving the Commission's area of responsibility.

At the same time we are faced with a philosophic change of administration in the Public Service which, hopefully, will call for and require the Commission to delegate to departments, to deputy ministers and their managers, many of the responsibilities which we have kept tightly centralized in the Commission in years gone by. If the new legislation goes through in its present form the Commission will be attempting to decentralize and delegate to the departments many of the staffing functions that we now perform, particularly at the blue and grey collar level, the clerical level, what we call the operational category, and the administrative support category, which represents about 75 per cent of the total civil service population.

However, in advance of delebating these responsibilities to the department, we are faced with the need of increasing our own staff to prepare standards of selection, guidelines of selection, and refine our selection procedures to the point where they can be delegated to departments. In the course of this there will be training of potential departmental staffs to carry on the staffing and selection process as we would do it ourselves. Until 1968, Mr. Chairman, I cannot give you any encouragement that there will be a major reduction in the Commission's staff. I am sure there will be some build-up this year and next year and then hopefully, by the end of 1968 when we start the delegatory process to departments, we will be able to reduce the size of the Commission's own establishment.

Mr. Chairman, having given that background of what we are involved in and our current state of affairs, I would be happy to answer the Committee's questions on any of our operations that would be of interest to them.

The CHAIRMAN: Thank you very much, Mr. Carson. Are there any questions of Mr. Carson?

Mr. FAIRWEATHER: I have heard a good deal about this build-up. I do not expect to have any questions relating to this transition. I think when the Steering Committee was planning the appearance of the Civil Service Commission we realized that a good deal of the evidence was on the record in the Public Service Committee. I would be interested, though, in the bilingual training which you referred to, Mr. Carson. How many people are working on this and what success has been achieved?

Mr. CARSON: Well, Mr. Fairweather, I am going to ask Mr. Blackburn to give specific answers to your questions. We are not able to point to conclusive success in our language training efforts to date. We have an increasing number of people each year under training, but for many of them this meant having to go back to school and re-learn skills and make use of the learning process in a way that they had not been doing for a good many years. The initial results were perhaps a little bit disappointing to people who expected that we could produce miracles overnight. There is a cumulative effect building up here—Mr. Blackburn has been working with this now for almost three years in January—in the degree to which people are not only coping with the language in the classroom

but going back and starting to use it in social intercourse and, to a limited extent, in their business discussions, although most of us are still a bit fearful of the risk of being misunderstood in an official communication. But this is having a cumulative effect. Every additional civil servant who is exposed to language training, of course, is making it that much easier for the others to lose their shyness or inhibitions with respect to speaking two languages. Mr. Blackburn, would you like to give Mr. Fairweather some of the details?

Mr. G. A. BLACKBURN (*Director General, Staffing Branch, Civil Service Commission*): Mr. Chairman, the present staff is in the order of about 125 and it is building up quite rapidly to something in the order of 175. Of course, the majority of these are language teachers. There are perhaps four or five who are engaged in linguistic research. The present program of language training is based on the best systems that we could discover in use, through consultations with various academic institutions and the experts across Canada and abroad. In many ways we recognize that they are not ideally suited, first of all, to teaching adults in Canada and, secondly, teaching adults who may be public servants whose vocabulary accumulation, and so on, is very important in this respect. The research staff is really engaged in two major tasks; one, to adapt or design improved systems for language training, and also to develop measures of proficiency. Measures of proficiency are necessary for two purposes; one, for increased accuracy in our estimates of a person's capacity for purposes of appointment and, secondly, to measure the effectiveness of the language training program itself.

The program at the moment is highly fluid in terms of numbers. At the end of June we had on the order of 2,000 public servants under instruction. Our expectation is to build up, by the end of this calendar year, to somewhere in the neighbourhood of 4,000. Some of these people, of course, are on programs which involve only one hour a day for each student. Others are taking evening programs of two, three or four hours a week. Some students are able to take full-time courses and this, in our view, is ideal both from the point of view of economy and effectiveness because the cost per student is much lower on a full-time basis and the great patience which one has to develop to stay with the process on a one-hour-a-day basis is somewhat eased by a full-time program.

Mr. FAIRWEATHER: Where are the full-time programs carried on, in this city?

Mr. BLACKBURN: Yes, in the main in this city. There are five satellite schools, one in the city of Hull and four in the city of Ottawa. We are opening two in Montreal and one in Quebec City. We are also making special arrangements for communities where there are not sufficient numbers of public servants to warrant opening a satellite school. We make contractual arrangements with local universities and high schools who have the facilities. We do this on two bases; one, a contract under which they provide all the facilities, including the instruction in accordance with our standards and two, where they provide the facilities and we provide the instructors.

Mr. BERGER: On a supplementary, may I ask you what is the situation as far as the hiring of new employees is concerned?

Mr. CARSON: With respect to language?

Mr. BERGER: Yes.

Mr. CARSON: Again, I will let Mr. Blackburn, who heads the staffing branch which includes our language training operation, answer this question. Certainly our objective is as stated.

Mr. BLACKBURN: I presume, Mr. Chairman, that the question relates to the issue of language. I think I can safely say we have been successful, in our strenuous efforts to entice into the service people who are competent in both official languages, to a greater degree than we have in the past. We have devoted a good deal of energy to this. At the entrance level of the administration classes we have been insisting that newcomers who are unilingual should be ready and willing to undertake instruction in a second language. We try to arrange this instruction for them immediately on entry, that is to say, when they come out of the universities in the spring we will arrange for special full-time programs for them during the summer months and the early months of the autumn.

Mr. BERGER: Without any idea of criticism whatsoever, may I say that in my riding, which is mostly a French-speaking constituency, I have on numerous occasions recommended a few of my people for certain positions which were offered by the Civil Service Commission. A few of my colleagues have done the same. It seems to me very unfortunate but it has reached the point where I tell my friends that if you want to apply to the Civil Service Commission please do not ask your M.P. to try to help you out. You are sure to be left out. This seems to happen, and I could give you a few examples. This has been raised and I am trying to be frank.

Mr. CARSON: You have been exposed to my views on this before, because in the committee dealing with the Public Service employment act this same question came up and I tried to convince the members at that time that we are genuinely appreciative of recommendations that members of parliament give us regarding character and general suitability and your observations of people's competence. You presumably know them better than we will get to know them in a selection interview and to the extent that you can give us character references and recommendations, we are grateful. I say that recognizing that there is a myth abroad, and whether it has gained substance over the years I do not know, that the worst thing that you can do is to sponsor a candidate because that gets the Commission's back up. I can only assure you that our current philosophy is the very opposite. We are grateful for recommendations. If you know people and can give them character references, this is an enormous help to us.

Mr. MATHER: Mr. Chairman, I wonder if it would be possible to get any sort of an estimate of the cost of the bilingual training program as it affects civil service staffs so far?

Mr. CARSON: Mr. Chairman, do you want the conservative estimate or the outside estimate?

Mr. MATHER: I would like both.

Mr. CARSON: I would estimate that by next year it will be running $3 million dollars a year.

Mr. MATHER: Three million dollars a year?

Mr. CARSON: That is right. Up to now it has run up to $1.5 million, but now we are moving up to about $3 million because we will be opening five additional schools on the first of January.

It is an expensive undertaking, and we make no apology for that because we assume that the government knew what it was doing and felt that this was an important undertaking. That is not ours to question; we are merely the administrators of the enterprise once the policy is decided upon. But it is expensive, the training of adults is always expensive.

The CHAIRMAN: Mr. Carson, how many people are taking courses on a full-time basis? I am not sure whether Mr. Blackburn mentioned the numbers or not.

Mr. CARSON: There are the ten, of course, who are at Laval now. This was launched fairly quietly and without too much fanfare this fall and I do not know how aware the Committee members may be of this, but you will recall when the Prime Minister made his statement in the House on the various steps that were to be taken to increase the bilingual capacity of the civil service he spoke about a program in which 20 English-speaking officers and their families would be sent to Laval for a year and 10 French-speaking senior officers would be sent from Quebec, Montreal or Ottawa to the University of Toronto for a year.

This program was launched in the summer, so it would have been inappropriate, I think, to have gone into it on a crash basis because you do not just pick up whole families and ship them off overnight to a strange city. So, we started out to get our feet wet with 10 families this fall, and they have moved to Quebec City. The fathers and mothers are enrolled at Laval University and the children in the school system of Quebec City, and the progress reports we have received after the first two months are really very encouraging.

Again, this is an expensive undertaking. It means taking a senior officer out of his position in Ottawa and shifting him off for a sabbatical year for the sole purpose of learning a language. I am convinced that if we are ever going to make real progress at the upper echelon of the Civil Service and set some kind of an example down the line, this is the sort of thing we are going to have to do. The results are most encouraging.

Mr. FAIRWEATHER: Really, though, it is over-simplifying to say it is the sole purpose of his sabbatical year. I think it would be a great thing for the country if a lot of people could have a sabbatical, even members of parliament. We are all right, but a lot of people could stand a little cross-fertilization.

Mr. CARSON: I am sure there will be enormous by-products of this. I think one of the most heartening reports that we are getting back from the school authorities in Quebec City is that they are pretty confident that these English-speaking children, who have been dumped right into the Quebec school system, are going to be able to cope with the classroom work by Christmas.

One of the things we were most worried about was whether children were going to lose a whole year of school because they could not cope with a second language and that the parents would feel resentful about this when they returned home. But the early indications are that the children, if anything, are doing better than the parents.

Mr. BERGER: Mr. Chairman, I want to say that I was very much impressed a few months ago when I noticed that the chief veterinary officer of the Health of Animals Branch of the Department of Agriculture, Dr. Wells, seemed to be enjoying himself in Laval University, and even at that time his French was so good that he was interviewed on the French radio network, and he came out all right as long as it did not go over three minutes.

The CHAIRMAN: Mr. Blackburn, you indicated there was another group, beyond the ten top officials, who are sitting full time.

Mr. BLACKBURN: Unfortunately I do not have the figures with me at this moment, but the order of magnitude of enrollment is in the neighbourhood of 100 full-time in schools in the Ottawa Valley area and probably about 300 half-time, which is a sort of second best arrangement from my point of view, and the rest pretty much on a six-hour week basis, either one hour a day or three hours twice a week.

In the summertime we run almost exclusively full time program for new entrants into the service. During that period virtually all of them are on full-time, plus a bit. They are on almost a total immersion type of program.

The CHAIRMAN: You are attempting to increase the coverage of this kind of program, are you not?

Mr. BLACKBURN: Indeed we are. We are convinced that the most effective, as well as the most economical way of doing things is to get people on a full-time basis.

The CHAIRMAN: I quite agree.

Mr. BLACKBURN: The problems of maintaining departmental administration are often insurmountable when it comes to releasing people for full time instruction.

The CHAIRMAN: Thank you.

Mr. MATHER: Mr. Chairman, I do not know whether we have exhausted the language part of this presentation or not, but I was interested in some of the details of service figures here.

Under the heading "Approximate Value of Major Services Not Included in the Estimates", these items total over a million dollars for 1966-67, which is roughly 15 per cent of the total services costs. In that category I notice the Post Office Department for 1965-66 provided franking services to the Civil Service of $60,900, and in 1966-67 they are going to provide $76,700 worth of service. This is quite a substantial increase in that one category, something like 20 or 25 per cent. Could we have the reason for the predicted increase there?

Mr. CARSON: I will do my best, Mr. Chairman. This reflects almost entirely the increased hiring load and the increased effort we have to make to hire

people in this very tight labour market that Canada has been experiencing in the last two years, and presumably is going to go on facing over the next year or so.

As you are aware from seeing the Estimates go through, in almost all departments there has been an increase in the number of programs launched and the number of additional people required to staff these programs. I had better not even hazard a guess on the approximate number of new positions that have been approved in Estimates over the past year. All this has put an enormous additional workload on the Commission in a period of very high employment where our efforts to recruit staff are doubly difficult. You do not just exhibit one bulletin in a post office and sit back and wait for people to come to you. You now have to go out and search them out, and when they reply you cannot run the risk of their waiting around for you to answer them a month from now. We find that we have to get out interim letters to people to keep them warm and keep up their enthusiasm and interest. We are doing a great deal more, but if you want personalized recruiting this, of course, would put a burden on the mailing service. I am satisfied that the day when the public service can just sit back and count on people lining up at the door seeking employment is long gone. We have to get out and aggressively seek and find and encourage people. I would like to feel—to use an overworked phrase—that our image as a recruiting agency is improving as a result of the efforts that we are making. One of the most heartening statistics I can give you is this fall's university recruiting program. As you know, we go out each fall on a major program to round up the brightest and most able university graduates to come into both the foreign service and the domestic service.

We recognized that we were going into the tightest university graduate market, I suppose, in the history of Canada. But, Mr. Chairman, we are terribly encouraged by the fact that the number of students who signed up to take our examinations and to register for interviews was up by 50 per cent this year. Most encouraging of all was that the number from Laval and the University of Montreal was up higher than we have ever known in the past. I think this is all a reflection of the fact that we are doing a more imaginative job of recruiting. This is a long answer, Mr. Chairman, to Mr. Mather's question as to why our postal bill is higher.

The CHAIRMAN: Your bill for accounting and cheque writing seems to be lower. You must be issuing fewer cheques to more people, or perhaps it is computerization that has reduced the cost. Is this right?

Mr. CARSON: Mr. Foster has been introducing a lot of efficiencies for us.

The CHAIRMAN: Thank goodness for that. Are there other questions of Mr. Carson?

Mr. BÉCHARD: I do not know if this was discussed before, but I would like to know about compensation in accordance with the incentives of a working man in the public service of Canada. Does it include proposed incentives for bilingualism?

Mr. CARSON: No. This item solely deals with—for those of you who are familiar with industrial situations—the suggestion plan and awards for outstanding achievement. These are special awards that are recommended for

people who have made an unusual contribution. The commission is charged with administering this plan and this is why this amount of money is in our estimates. The bilingual bonus for secretarial-clerical workers, the details of which have gone out to departments this morning, and I presume will hit the newspapers today, will be reflected in departmental estimates from now on as a cost of doing business, because it will be a payroll cost to the department where the employee is working.

Mr. BÉCHARD: Thank you.

(*Translation*)

Mr. PRUD'HOMME: Mr. Chairman, do you not think that a bonus would be justified in the case of a bilingual public servant, in view of the fact that he can answer in either of the two languages, and because he can work in either of the two languages? In view of the fact that very often he accomplishes the work of two people?

Mr. CARSON: Would you please repeat, Sir?

(*English*)

Mr. PRUD'HOMME: Do you believe there is justification for a bilingual bonus, since those who are bilingual can either deal in both languages or answer in both languages or receive messages in both languages?

Mr. CARSON: I do not question this at all, given the context in which we are working, yes.

Mr. PRUDHOMME: Given the context.

Mr. CARSON: And given the fact that we are agreed there should be a bilingual public service, then this becomes an additional skill, an additional asset, and there is no question in my mind or that of my colleagues that it is a skill that should be compensated. At some future timewhen we have achieved a fully bilingual work force the need to have special compensation will reduce, but at this stage of history, where our need to recruit people with these kinds of skills is so very great and the possibility of our being able to train enough people in a short enough time is so doubtful, I think this is a very important and a very practical step to be taken. We must somehow or other make the learning of the two languages and the using of the two languages sufficiently important to people, and if you are going to do that you have to compensate for it as a recognition of the fact that this is an additional asset that we have to have. Mr. Chairman, there is no question in my mind about this.

(*Translation*)

Mr. PRUD'HOMME: In order to make it possible to get the Canadian people better used to this idea of a bonus would it not be possible to quote examples from other countries where this idea of a bonus for a second language is widely accepted? I have reference here, for instance, to what is at present the case with our armed forces in France. The pay cheque mentions a whole series of bonuses, one for social security benefits for instance, and then, further down the list, one for "second language". Since we are in France here the reference is probably to French and English just as it would be German and English in Germany. In

order to clear the air a little bit about that matter, in regard to people who seem to think that this is a novel idea, would it be possible for the Civil Service Commission, when in future it will be providing for this—in fact you have said that this is being done now—to quote examples so as to give a better idea of the whys and the wherefores of the bonus?

(*English*)

Mr. CARSON: Mr. Chairman, I think this is a very good idea and a very worth-while suggestion. We are going to have to do a selling job and an explaining job right across the country, and the fact that it is not unique or novel should be of considerable assistance to us. I must say when I visit our offices in Edmonton, Calgary, Regina, Saskatoon, Vancouver and Victoria and talk about our efforts to bilingualize the service, and the fact we are going to be paying a special bonus, I sometimes get very blank stares but it is an educational job that we are committed to undertake and I think we are going to make real progress. If you will permit me to give you this rather homely illustration. In order to facilitate our university recruiting, last summer we brought 150 summer interns to Ottawa. These were students specially selected by the universities in their second to last year before graduation. The number that we brought from Laval and the University of Montreal was deliberately higher, because that is where we have the largest block to overcome. We brought them from all universities, Memorial University in Newfoundland, the University of British Columbia, and so on. We brought these 150 students together and they were assigned to work in a wide variety of departments, but the majority of them were brought together for social occasions and also for weekly seminars. We said to them, "We want you to speak in your own language. This will be a real barrier to many of you at the outset—there will be no interpreters—but try it". It was thrilling, Mr. Chairman. By the end of the summer we have students from British Columbia and from the University of Montreal communicating in seminars with each other, talking in their own language, and understanding what the other one was saying; not perfectly, of course; but this has meant that the students who have gone back to the English-speaking universities know that we are serious, and they will be applying themselves to mastering the second language with much more assiduity. I think we are going to be making real progress. However, it is a job of continually convincing people that you are serious.

Mr. PRUD'HOMME: Would you say that the best kind of bilingualism would be a new type of bilingualism, and having you speak English to me and my replying to you in French, with both of us being able to understand; or your writing to me in English and my writing to you in French, and both of us understanding that, as well? That would perhaps be easier for people who say that they cannot master the "talk" kind of bilingualism.

Mr. CARSON: This is our objective, Mr. Chairman, and personally I think it is a very practical one. I do not think we can ever hope to make people fluent linguists, but to bring them up to the point where they can understand what is being said is our most important and immediate objective.

Mr. PRUD'HOMME: Have you been successful, and what, approximately, would be the percentage of your success, with summer students coming here? I think this is very worthwile. We had a lot of students here last summer and the summer before. Are they coming here only for one summer because it is very nice experience, and then do they disappear? What is your percentage of success so far among those who come here for summer visits, working in different departments? How many later apply to stay in the civil service?

Mr. CARSON: Mr. Chairman, I do not know that we can answer this precisely, because this summer was the first time we have done it on a big scale. However, I am convinced that the number of university students who have applied to come permanently with us, or at least to take our examinations and go through our panel this fall—the number who registered interest this fall was 50 per cent higher than it was the year before—is some indication that the 150 that we had here this summer have gone back, and, during the months of September and October, have been out as missionaries saying, "Ottawa is not so bad a place".

Mr. PRUD'HOMME: It is not so bad after all.

An hon. MEMBER: Not during the summer, anyway.

Mr. CARSON: We had some help from girls from the University of Ottawa and Carleton University, of course, who make life pleasanter.

Mr. BÉCHARD: How many French-Canadian top officials do you have in the Civil Service Commission?

Mr. CARSON: In the commission itself?

Mr. BÉCHARD: Yes.

Mr. CARSON: Mr. Chairman, I would have to hazard a guess. I would say that of our senior officer groups we have about six out of a total of 23, which would be a quarter.

You catch me at a difficult time because one of our most senior ones we have just sent off to service in Paris and London as a Civil Service representative in the United Kingdom and France. He has not yet been replaced by any French-speaking officer here.

Mr. PELLETIER: I would like to know—and I request that you pardon my ignorance—what is the mechanism for the determination of criteria for employment, for instance, in terms of schooling? How is it established that this or that job will require this or that amount of schooling?

Mr. CARSON: This is a very pertinent question, Mr. Chairman, and one which we keep under review at all times.

On the eve of delegating more selection authority to departments we are reviewing all of our selection standards to make sure that they are the most current and valid in terms of occupational requirements.

Mr. Blackburn might well want to give you a description of the process that we are going through in trying to review these.

Mr. G. A. BLACKBURN (*Director General, Staffing Branch*): Mr. Chairman, in the first instance, in the setting up of classification standards, Mr. Anderson's

people make a detailed study of particular occupational areas, level by level. This study attempts to point out what is the minimum educational requirement for each level of each of the occupational areas. This is generally related to the public school and university world systems. However, the systems are not standardized across Canada, and in order to make comparisons of students, from one province to another, or one educational system to another, we have a test development section which devotes almost all of its energy to building up measures of knowledge proficiency by means of standardized tests, commonly referred to as mental ability tests. It is a very difficult process, but it is really on the basis of these tests that one decides whether or not a particular candidate has reached the minimum educational requirement required by a particular occupation.

However, when we go out to recruit, if the minimum educational level, for example, is specified as primary school graduation, but the intelligence available to us indicates that there are on the market so many people available for this sort of work, with higher degrees of education, then there is not a great deal of point in examining the whole market in order to identify the best qualified. To this end we may have to draw barirers which would limit the number of people we have to interview personally. We do this by setting a higher barrier in the application of these selection instruments. It is part, if you like, of a screening process.

Now, I am not sure, Mr. Chairman, that I have answered Mr. Pelletier's question.

Mr. PELLETIER: I might put supplementary questions to you to help you to do just that.

For instance, if you have a job description that requires, let us say, grade 12, and people with that grade apply for the job and go through the tests, do you have a general rule of giving special advantage to candidates who have more than the specified minimum, or would you ignore that in the selection afterwards?

I do not know if I am making myself clear. Let us say that, for a particular job in the meteorological service, you have established that all candidates must have reached grade 12, and suppose you have a number of candidates who are almost equivalent. Would a higher grade play any role or would you stick to the educational requirement that you have made and rely upon other criteria to make the choice between two candidates who would otherwise be equal?

Mr. BLACKBURN: The answer, Mr. Chairman, is that it depends upon the response. For example, suppose we had 500 positions and we advertised and got 5,000 applications. We would have to reduce, by a series of tests, the number of candidates until we brought it down, let us say, to 1,000. We would then arrange these 1,000 applicants in order of merit by more detailed examination of their individual qualifications and relative merits, and it is only in that circumstance that the extra education of the student would count. Those who were in the lower end of the educational bracket would be screened out at an earlier stage. If, however, the market was tight, we would not screen people out on the basis of education at all. If we had 500 positions and got only 1,000 applications all

those who met the minimum educational requirements would then be put through the next stage of the selection process, which would probably be a trade test, vocational test, or a mental ability test of some sort.

Mr. PELLETIER: Is there a minimum requirement which is applied as a rule to the whole of civil services? Is there a rule, or an understanding, that you take no one lower than grade 8, for instance?

Mr. BLACKBURN: No, sir.

Mr. PELLETIER: Or eight years of study? Is there no such rule?

Mr. BLACKBURN: There is no such broad rule.

Mr. PELLETIER: Then I have another question. I have had knowledge of applications in very menial jobs, such as cleaning the buildings for instance or sweepers in a public building, which require grade 8, if I am not mistaken. I thought that I had reached the rock bottom of your requirements there, because I cannot see what two more school years would add to the competence of someone who is hired to sweep floors.

Mr. BLACKBURN: The only explanation I can offer—and I am not familiar with the particular case—is that if, even in that sort of job, there is a requirement for the individual to read and interpret instructions and to follow, in some degree, technical instructions, then such an educational requirement might have been specified. But whether or not there is a minimum for classification purposes, I do not know.

Mr. A. R. K. ANDERSON (*Director, Bureau of Classification Revision*): Mr. Chairman, the Bureau of Classification Revision has not yet tackled the development of standards in the operational category, or more precisely, we have only begun to tackle it.

I would not anticipate that there will be an educational requirement for classification purposes of a particular degree of education; but rather such general requirements as the ability to follow simple written instructions and this sort of thing, which would not be stated in terms of a number of years of education.

Mr. CARSON: Mr. Chairman, I wonder if I could make a comment on Mr. Pelletier's question? The commission is constantly torn between our statutory responsibility, which is to find the most meritorious people—the ablest people in our society—to fill the positions, and the sort of implied legend that employment in the public service should be open to every citizen of the country. We try to meet both of these, but sometimes you get on to a see saw.

We advertise as widely and as broadly across the country as we possibly can, and we try to make known our requirements to every citizen, as far as it is practical to do so. Our statute, however, lays on us, as our first responsibility, that we are to hire the ablest. Therefore, if you are in a labour market in which it is fairly easy to hire, there is a strong temptation to the departmental management that we are serving—in this case, public works, I presume—to try to set the requirement—as high as they can so that they get the best that there is of the labour pool. In other communities, where the labour market is tight, you find

that the standard is being lowered. This is a matter of judgment. The objective is always to get the best people that you can for the money that you are able to pay. I am not sure really that any other philosophy would be workable in the long run.

The CHAIRMAN: Are there any further questions of Mr. Carson?

(*Translation*)

Mr. BÉCHARD: Mr. Carson, in any offer of employment you make you invariably have a requirement of three, four or five years at least on the part of the candidate, at least in the particular field involved. If private industry has the same requirements, where do you think those people who want to get into the public service will be able to go? If there is this invariable requirement for three, five or six years where do you think people will be able to acquire the necessary experience, whether it be in the public service or elsewhere? Is this absolutely necessary in all instances? Would you occasionally accept a student out of university? He will never be able to get anywhere if everybody keeps asking for five years experience, or three, or whatever it is.

Mr. CARSON: Mr. Chairman, the bulk hiring is at the entry grades where we do not require experience. I am well aware of the fact that the average citizen, seeing our posters which go into the newspapers, is observing a small percentage of our advertising that does call for experience. This is because we have neither the time nor the opportunity to train within the service. I would, however, hazard a guess that over two-thirds of our hiring is of people for entry jobs where we are going to do the training and where they require no experience. The group, for example, which is somewhat in the public eye right now, the letter carriers and the postal workers, come to us without any experience requirement. For our clerical and typists jobs we hire right out of the typing schools and the secretarial schools. We are by far the largest employer of university graduates in Canada, hiring right out of the universities. But this kind of employment the average citizen would not be aware of, because we go directly to the source and do our recruiting at the schools, at the universities and, to some extent, through the National Employment Service, the new Canadian Manpower Service. But the advertisements which you see are where we are not able to train enough people in a short enough time to meet our requirements.

We feel that we probably bear a heavier burden of staff-training than the private employer does. In the data processing field, for example, which is a fairly new one, we are constantly being raided by all of the major employers, or new users, of computers because we have done the bulk of the training of data processing people, and our salaries do not move as flexibly as the more competitive private employer's. I do not know how many times you pick up the Ottawa papers and see ads from companies, based in Toronto and Montreal, who are coming to Ottawa to steal from us deliberately. There is no other employer who would justify their running these advertisements. We know that they are directed exclusively at our staff.

I think, Mr. Chairman, I would like to satisfy the Committee members that we are bearing the lion's share of training our own people, and the great bulk of our employment is at the entry grades, where experience is not called for.

Mr. PELLETIER: There is another aspect. I know of the case of a man—and I am not sure if he is under your commission, so make it clear if he is not; I could not discover that for myself—who is a skilled labourer and who works for a federal department. About a year ago the time for his retirement had come; he had reached retirement age. He asked that he be given an extension beyond his retirement age. This was granted on the condition that any work which he did beyond his date of retirement would be done at the rate of an apprentice. He has been doing this for a year now.

The reason given in some correspondence with the department was that this was the only way to keep him in the department without blocking promotion for younger employees who were in the same line. The complaint was that even when there is no one behind him, he still is employed as an apprentice although doing the work of a skilled employee.

I was just wondering whether it was due to collective agreements, or agreements of any kind, with the employees that this sort of arrangement would take place?

Mr. CARSON: Mr. Chairman, I think I can be quite certain that this position and this employee are not covered by the present Civil Service Act.

The new bill to which Parliament has given second reading, and which you will shortly have before you, I hope—the new Public Service Employment Act—brings the prevailing rate employees, as they are called, under the act and then a different regime will apply to them than now applies. The present prevailing rate employees, which covers the great bulk of the labouring and trades positions in the service—roughly 40,000 of them—were excluded from the Civil Service Act in years gone by and will only be brought into the merit system with the passage of the new legislation.

This situation which you describe could not occur in the case of an employee under the Civil Service Act, because the Act spells out that an employee must be paid for the rate of the position which he holds, and to demote him, in effect, as you have described, would be a very unfair arrangement.

I can understand how this sort of situation which you have described can occur, because the prevailing rate employees do tend to be represented, although there is no legal collective bargaining as yet, by the traditional A.F. of L. trades, or building trades, and in those situations the department is sometimes under pressure from the craft union to enter into arrangements like this, to make sure that apprentices are able to move up to the journeyman category, rather than blocking a journeyman's position on the establishment.

I must say it does not sound very fair as far as the individual is concerned, because if he is performing as a journeyman he should be drawing a journeyman's rate.

Mr. PELLETIER: What is the general attitude towards retirement in the civil service. Is it an iron rule and does it apply automatically?

Mr. CARSON: No, it does not, Mr. Chairman. The Public Service Superannuation Act does permit an employee to retire after 35 years of service whether he has reached 65 or not. I cannot give you the number of extensions that are granted each year past the age of 65, but certainly there are a fair number of

them. I think this is always made on the basis of will extending this individual hold up the promotion or advancement of some one else? If it will, then I think it is probably discouraged. In the last few years, of course, we have been in such a tight labour market that many departments have preferred—have encouraged—people to stay on after age 65 because they knew it would be extremely difficult to replace the skills which they have.

Mr. PELLETIER: Whose decision is that in the present set up?

Mr. CARSON: This is the deputy head's decision, to age 70.

Mr. FAIRWEATHER: Mr. Chairman, the words "prevailing rates" of course, ring a bell with me, being a regional person—I hope not in outlook, but in fact. When the prevailing rate people come within the public service will there be, generally speaking, equality of pay?

Mr. CARSON: Mr. Chairman, I really cannot prejudge this. It is going to be one of the major problems facing the employees and the government in collective bargaining, because we do have civil servants, who are on a national rate, performing the same work, sometimes, I am sorry to say, Mr. Fairweather, alongside the prevailing rate employees who are paid on regional rates, and in your part of the country this must seem like nonsense, because the national rate will tend to be higher than the regional rate. In other parts of the country it works the other way, that the regional rate is higher than the national rate. I would think this is going to be one of the really very difficult problems both for the staff associations and for the employer to settle under collective bargaining, because there are arguments on both sides of the coin. Your professionals, or your heads, or your directors and that type of person, are all on national rates. The whole civil service is on national rates with the exception of nurses.

Mr. FAIRWEATHER: The other night, on public service, when we were meeting, we heard people who said that industry in the maritimes would not like it. I have come to the view now, reluctantly, that it is time that industry in the maritimes made this contribution to the economic development. There are many other aids and other techniques that the government can use rather than keeping the salaries low, and other governments are using them.

Mr. CARSON: There is no question, from the point of view of the administrative, professional and technical staff, that national rates are the only workable formula, because we do not depend on the mobility and capacity to transfer people for experience purposes, and if you get into a regional rate problem that interferes with the inability and transferability of people.

When you get down at the trades level, where there is very little mobility of the work force, then, of course, from a managerial point of view, the argument is not quite so strong. It becomes really a philosophic and public policy decision; and I will be most interested—because the commission will be sitting on the side lines after collective bargaining begins—I will be most interested to see what the parties decide.

Mr. FAIRWEATHER: I suppose this is not the time for a discussion, but take, for example, the justices of the various supreme courts. It is quite a small area, I admit, but the workload even in that category is not comparable at all.

Mr. CARSON: So I believe.

Mr. FAIRWEATHER: Yet it is national policy.

The CHAIRMAN: Mr. Carson, I am interested in the junior executive officer program. I did not see anything directly referring to it in your report. I do not think that was specifically referred to in any comments today. It is not really an internship, as you speak of in the report. Could you explain what it is, and give us any assessment of the program?

Mr. CARSON: I will make a few general comments, Mr. Chairman, and I will then ask Mr. Blackburn to continue, if that is agreeable?

The junior executive officer and the junior foreign officer are our two major entry points for young university graduates other than in the engineering and science fields. We do bring university graduates directly into engineering positions and scientific positions, but they come into professional careers.

The junior executive officers are the group which we bring in as trainees to work in the administrative stream of the government service, and during the first year or so the commission takes some continuing interest in, and responsibility for, them. They are assigned to work in departments, but we try to keep a close eye on them to make sure that they are given a variety of experiences and rotations and are given some basic training in public administration. After they have sort of served their apprenticeship, they then move in, of course, to administrative positions and work their way up in the department to which they have been assigned. But this designation, junior executive officer, is one that we have used in the past for recruiting purposes to bring in really administrative apprentices. We are changing the name to administrative trainees in the classification revision program and my understanding—correct me if I am wrong, Ross,—is that this assumes they will be two years in this category, or in this group, before they move into what we call a classified position.

Perhaps Mr. Blackburn would like to elaborate on some of this.

The CHAIRMAN: Mr. Carson, I think for the moment my question is sufficiently answered, and since we have a quorum in the Committee at present, I wonder if we might deal with a number of matters which should be dealt with by the Committee.

Mr. CARSON: Are you through with us, Mr. Chairman?

The CHAIRMAN: Perhaps we would have an indication of whether there are any further questions from any member of the Committee, or whether or not Mr. Carson and his officials could be excused.

An hon. MEMBER: I want to thank you on behalf of the Committee.

Mr. CARSON: Thank you very much.

The CHAIRMAN: May I add my personal thanks to all you gentlemen.

Mr. CARSON: Mr. Chairman, we are very grateful for the interest which you and your colleagues have shown.

The CHAIRMAN: Thank you. Gentlemen, I have received a letter from Mr. Ron Basford, M.P., which I would like to read to you:

> It is with regret that I must inform you that circumstances make it necessary for me to resign as Vice-Chairman of the Broadcasting Committee. The demands of my position as Co-Chairman of the Special Joint Committee on Consumer Credit Prices are such that it would not be possible for me to do justice to both these positions concurrently. I wish, however, to remain a member of the Broadcasting Committee.

Is it your wish that this resignation be accepted?

Some hon. Members: Agreed.

The CHAIRMAN: Agreed, with regret.

Nominations should now be opened for the election of a new Vice-Chairman.

Mr. BÉCHARD: Mr. Chairman, I propose that Mr. Berger be elected Vice-Chairman of the Committee.

An hon. MEMBER: I second the motion.

The CHAIRMAN: Is that agreed?

Agreed.

The CHAIRMAN: May I congratulate Mr. Berger on his elevation to high office. I look forward to my association with him on this Committee.

Mr. BERGER: May I thank you all, and assure you that I will do my best.

The CHAIRMAN: Long-winded, as you may be!

The steering committee met yesterday. Up until today the steering committee was composed of Mr. Fairweather, Mr. Prittie, Mr. Basford and myself. Mr. Basford will be replaced on that steering committee by Mr. Berger.

The steering committee has a report which I might read to you.

> The eleventh report of the subcommittee on agenda and procedure.
>
> Your subcommittee recommends that (1) your Committee consider the estimates of the CBC on November 15 and November 22,

the next two Tuesdays

> and the estimates of the BBG on December 1.

An hon. MEMBER: On the Thursday, Mr. Chairman, we may have difficulty in obtaining a quorum. There are certain obstacles to Mr. Fairweather and me playing our part.

The CHAIRMAN: Yes; I am sorry. We had not considered the position of the Conservative members next week.

Mr. FAIRWEATHER: We tried to do the same when you were in that position.

An hon. MEMBER: No; I said Thursday.

The CHAIRMAN: I think Mr. Prittie preferred Tuesday.

Mr. FAIRWEATHER: We will treat him well.

The CHAIRMAN: I am sure he would not have any serious objection if the CBC officials can be here on the 17th rather than the 15th. That would be preferable.

Mr. FAIRWEATHER: It would be very awkward, as we saw this morning, gentlemen, to bring a group of senior people. This is an example of what was going on the other day in the argument in the House.

The CHAIRMAN: Would you like to amend it and make it the 17th instead of the 15th?

Mr. FAIRWEATHER: I would prefer that.

The CHAIRMAN: And leave the 22nd intact?

Mr. FAIRWEATHER: Thank you very much.

Mr. PRUD'HOMME: I second that.

The CHAIRMAN: And the BBG on December 1st; is that satisfactory?

Subject to the officials being able to come on those dates, that aspect of the report is agreed on?

Mr. McCLEAVE: We are going to have two more committees set up next week, Mr. Chairman, which will make life even more than it is now.

The CHAIRMAN: The second part of the sub-committee's recommendation is that

> Your committee requests permission from the House to meet in Montreal on December 5 and 6, or such other dates as circumstances may require for the purpose of visiting the headquarters of the National Film Board and examining the officials of that Board, and also to visit the Montreal Production Centre of the Canadian Broadcasting Corporation, and that the Clerk of the Committee and supporting staff accompany the committee to Montreal.

Mr. ASSELIN (*Charlevoix*): During two days?

The CHAIRMAN: Yes; the suggestion was that we spend December 5 at the National Film Board and actually consider the estimates of the National Film Board while there; that we stay there overnight and devote December 6 to visiting CBC quarters in Montreal, which would give us a bit of background for the discussions that we will have on the white paper.

I expect that the committee would also want to visit the Toronto production centre at some point; but when we are in Montreal to visit the National Film Board it was thought that we might take the opportunity to see the Montreal production centre of the CBC.

Mr. FAIRWEATHER: Perhaps our colleagues from Quebec will assure us of an evening meal.

Mr. PRUD'HOMME: We could do that among ourselves.

The CHAIRMAN: Before asking for any concurrence in this report I think we should assure ourselves that we are going to have a quorum at the meeting in Montreal. Actually the only time we would require a quorum would be on the

5th. Could we have from those who are present an indication of who will be going to Montreal for December 5 and 6?

Mr. HYMMEN: I do not know when I will be back from Jasper.

The CHAIRMAN: Your committee is supposed to be back.

Mr. HYMMEN: We are leaving Thursday and I think we will be back Sunday, as far as I know.

The CHAIRMAN: There seems to be a unanimous indication from those present that they will attend. We should be confident of having a quorum, then.

An hon. MEMBER: If the House is still sitting?

The CHAIRMAN: If Parliament has not been dissolved by then.

An hon. MEMBER: Will we be studying the White Paper before the end of the year?

The CHAIRMAN: Our present problem is that the White Paper has not yet been referred to the committee. We do have the estimates of the BBG to hold on to so long as we need to preserve a frame of reference.

Mr. PELLETIER: On that subject, Mr. Chairman, do I understand that we have now dealt with all the other estimates besides the CBC, BBG and the NFB?

The CHAIRMAN: We are about to deal with some estimates as soon as we have completed this motion of concurrence in the sub-committee's report. Although we have heard witnesses, we have not dealt with the estimates, on the National Museum, or the Civil Service Commission. I will ask you for a motion on those items shortly. Having done that, we will then just have the National Film Board, the CBC and the BBG.

Mr. PELLETIER: What is the last one you mentioned?

The CHAIRMAN: The National Museum and the Civil Service Commission, which I will ask you to deal with this morning.

Mr. PELLETIER: Is it the view of the Steering Committee that we can, without duplicating our work, eventually go into the CBC estimates and the BBG estimates before having the White Paper referred to us?

The CHAIRMAN: It was the view of the Steering Committee that we could discipline ourselves sufficiently that we could deal with the estimates of the CBC at least, and start into the BBG, and by that time we might have the White Paper before us. So long as we keep the BBG estimates before us we have as much scope, really, as if we had the White Paper. It would be a shame simply to mark time waiting for an atmosphere in the House to permit the White Paper to be referred to us.

May we have a motion for concurrence in the Eleventh Report of the Subcommittee on Agenda and Procedure?

Mr. BÉCHARD: I so move.

Mr. ASSELIN (*Charlevoix*): I second the motion.

Motion agreed to.

The CHAIRMAN: At the last meeting we heard evidence from the officias of the National Museum of Canada and it was agreed they would not have to return today. May we then deal with item 15 of the estimates of the Secretary of State department, relating to the National Museum of Canada. Item agreed to.

The CHAIRMAN: I will now call Item 1 of the Civil Service Commission.

CIVIL SERVICE COMMISSION

1. Salaries and Contingencies of the Commission including compensation in accordance with the Incentive Award Plan of the Public Service of Canada, $8,087,900

Item agreed to

The CHAIRMAN: Gentlemen, I believe that is all the business for today. If there is no further business this meeting stands adjourned.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 27

THURSDAY, NOVEMBER 17, 1966

Main Estimates (1966-67) of the Canadian Broadcasting Corporation

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WITNESSES:

From the Canadian Broadcasting Corporation: Messrs. J. A. Ouimet, President; J. P. Gilmore, Vice-President, Planning; and V. F. Davies, Vice-President, Finance.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1966

24733—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Johnston,	[3]Mr. Peters,
Mr Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
[2]Mr. Clermont,	Mr. McCleave,	Mr. Sherman,
Mr. Cowan,	Mr. Munro,	[1]Mr. Simard,
Mr. Fairweather,	Mr. Nugent,	Mr. Stafford—(25).
Mr. Hymmen,	Mr. Pelletier,	

M. Slack,
Clerk of the Committee.

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[1] Replaced Mr. Laprise on Tuesday, November 15, 1966.
[2] Replaced Mr. Trudeau on Tuesday, November 15, 1966.
[3] Replaced Mr. Mather on Wednesday, November 16, 1966.

ORDERS OF REFERENCE

TUESDAY, November 15, 1966.

Ordered,—That the names of Messrs. Simard and Clermont be substituted for those of Messrs. Laprise and Trudeau on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

WEDNESDAY, November 16, 1966.

Ordered,—That the name of Mr. Peters be substituted for that of Mr. Mather on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,

The Clerk of the House of Commons.

24733—1½

MINUTES OF PROCEEDINGS

THURSDAY, November 17, 1966.
(45)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Vice-Chairman, Mr. Jean Berger, presided.

Members present: Messrs. Béchard, Berger, Clermont, Cowan, Fairweather, Hymmen, MacDonald (*Prince*), McCleave, Peters, Richard, Simard—(11).

In attendance: *From the Canadian Broadcasting Corporation*: Messrs. J. A. Ouimet, President; V. F. Davies, Vice-President, Finance; J. P. Gilmore, Vice-President, Planning; Guy Coderre, Vice-President, Administration.

On motion of Mr. Fairweather seconded by Mr. Béchard, the Committee agreed to reduce its printing from 2,000 copies in English and 1,000 copies in French of its Minutes of Proceedings and Evidence to 1,000 copies in English and 500 copies in French relating to the CBC.

The Committee proceeded to the consideration of the Estimates for the Canadian Broadcasting Corporation and the Chairman called Item 1, Grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service.

Mr. Ouimet, after introducing his officials, made a statement and was examined thereon, assisted by Messrs. Gilmore and Davies.

The examination of the witnesses still continuing, at 11.00 a.m., the Committee adjourned to Tuesday, November 22, 1966 at 9.30. a.m.

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, November 17, 1966.

The VICE-CHAIRMAN: Order, please. I see we have a quorum. Our time is limited this morning; we have to leave this room by 11 o'clock. Before we proceed may I say that each member of the Committee was sent a questionnaire regarding the trip early in December to Montreal. I ask that you complete the form, sign it, and send it as soon as possible to our Clerk, Mr. Slack, so that we can plan for this coming trip.

On April 21, the Committee agreed to print 2,000 copies in English and 1,000 copies in French of its minutes of proceedings relating to the Canadian Broadcasting Corporation. I am informed from the distribution office that there was a considerable surplus of copies. Should we revise those figures and cause to be printed 1,000 copies in English and 500 copies in French? If so, can we have a motion to that effect now?

Mr. FAIRWEATHER: I so move.

Mr. BÉCHARD: I second the motion.

Motion agreed to.

The VICE-CHAIRMAN: Gentlemen, this morning we commence consideration of the estimates of the Canadian Broadcasting Corporation. I will call Item 1 of the CBC Estimates and ask the President of the CBC, Mr. Alphonse Ouimet, who is our guest this morning, to introduce his officials and then perhaps make a brief opening statement.

CANADIAN BROADCASTING CORPORATION

1. Grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service, $110,643,000.

(*Translation*)

Mr. OUIMET: Mr. Chairman, I would like to introduce my colleagues, Mr. Gilmore, who is the Vice President of Planning and Operations, Mr. Davies, who is our Vice President of Finance, and Mr. Coderre, who is Vice President of Administration.

Mr. Chairman, since I did not quite know which specific aspect of CBC activity the Committee wished to study first of all, I have no specific statement to deliver this morning. However, I hope you will enable me to do so later on if I think it desirable. This morning, I would like to make a few remarks before I answer your questions.

(*English*)

Mr. Chairman, the first point I would like to touch on before attempting to answer your questions is with regard to my personal plans. As you know,

I personally advised the Prime Minister some months ago and he announced publicly six weeks ago that for personal and professional reasons I will not be available to carry on as head of the Corporation after the new broadcasting legislation in whatever form it may take comes into effect.

At the time it was expected that the new act would be passed by parliament by the end of this year or by early 1967, and obviously I would not have announced my intentions publicly so far ahead of time had I known what we all realize now that the new act probably will not be in effect for several months. Your Chairman recently stated in Toronto that it would be late in 1967, or possibly not before early 1968. However, you certainly are better judges of this than me.

So that this question as to the leadership of the Corporation at this time may not introduce any element of doubt or be the source of further speculation in the proceedings of the Committee. I feel I should let you know at this first meeting that I have no intention of abandoning my post before the new legislation comes into effect. Neither will I allow, as I have already told the Prime Minister, enticing, even if delayed, prospects of less exacting pursuits to distract me in any way from the continuing obligation of my position at a crucial time for the Corporation. There will be no change in my approach to my responsibilities, and no slacking down until my successor or successors are appointed under new legislation. However, please hurry, gentlemen; after 32 years of married life I would very much hate to have my wife divorce me because of some delay in parliamentary proceedings.

(*Translation*)

Mr. Chairman, I do not know how much longer you will spend with the CBC, either on its budget, its activities at large or the White Paper. But I am quite aware that it is quite probable that the committee of 1966-67 on Broadcasting, Films and the Arts is the last one I will be called upon to appear before I stop being a Public Servant. I will not say that this breaks my heart. You would not believe me if I said so, because there are many other easier ways to end one's life or to occupy one's leisure than to sit here and be on the Parliamentary hot seat. But I would not be completely frank with you if I did not say right away that this is something of a slight disappointment to me, and this worries me somehow. I shall be more explicit later on about this. The CBC was always proud of being directly responsible to Parliament rather than to the government of the day or any other higher authority. Every time I attended a parliamentary committee, I was quite aware that this was a meeting with the CBC's boss, or at least the boss' delegate, and this was one of the few opportunities to have with one's boss an open and constructive discussion, for both sides. The minutes of proceedings of 1959, 1961 and even 1966, which are the last ones we attended, make me aware of the fact that we have not found the magic formula which would make these meetings as productive as we can expect them to be. Too often I had the feeling that your predecessors reached the end of their proceedings convinced that they had not managed to get through the CBC's armour. On the other hand, the CBC felt just as frustrated because it could not discuss the essential problems which made the performance of its work quite difficult. I mention a concern of mine now: a concern that I shall not be able to

give you, before I leave, a general outlook of all the activities of the CBC, its aspirations, its problems, to enable you to really have a good idea of how important its work is, and the value and quality of its work. I had the same concern when I appeared before the committee in 1961, and I would like to read a few excerpts of what I said then. You will be surprised how similar the situation was in 1961 to what it is now. This is what I said. It is not very long. I will read just an extract, for I appeared for twenty-two days. Of course I will not read the whole thing.

(*English*)

Since the advent of television the Corporation, at any time, has been the most talked about, written about, editorialized on—for-and-against, praised and damned, of all Canadian institutions other than the government, regardless of party. The press gives us a lot of attention at any time, and I am told that at parliamentary committee time, when the newspapers can blend into one their predilection for the CBC and their natural proclivity for the political, then our newspaper lineage—I should say, probably, mileage—soars to extraordinary levels. Whatever the standards of normalcy may be in other fields, those which may imply quite contentment do not apply to broadcasting, particularly to television broadcasting.

Elements of change, controversy and challenge are intrinsic to the system, and these can be built up almost every day by the powerful magnifying effects of television into a first-class controversy. This is inherent to the nature of the medium and to the nature and the role of the Coroporation. Also inherent to the nature of the Corporation, as it is to all other human institutions, its fallibility. However, the one big difference between the Corporation and any other Canadian institution is that we have no closets in which to hide our skeletons. We live in a huge glass house with—I said at the time—3.5 million windows, but actually it is nearer to 5 million today, one in practically every home in Canada; and there we are every minute of the day with all our qualities and all our imperfections for everyone to see. As I have already said, there are times when we would like to be a little less conspicuous. On the other hand, to the objective observer the good things we do should be as apparent as our shortcomings. This is why I suggest that any assessment of the Corporation should be made in the light of our achievements and not on the basis of the amount of controversy that the Corporation may give rise to from time to time. As we say in our main submission, the staff of the Corporation day in and day out, year in and year out, compile an enviable record of public service, and I would say the same thing exactly today. Every now and then there is a great temptation to overlook this service in the light of some unsuccessful program experiment and occasional lapse, or the unavoidable reaction to the broadcasts of controversial ideas, all of which seem to gain a disproportionate amount of attention. Yet, I sincerely believe that the CBC's solid core of program service by which its worth to Canada should be measured has been gained only by its willingness to experiment, by its continued dissatisfaction with anything second-rate, and by its conviction that ideas are worth exploring.

This is the end of what I will quote from the 1961 testimony. But I would like to note in passing, as I am sure you have noted yourselves, that the very

same management which, in 1966, had to defend itself against charges of being timid and reactionary felt compelled, in 1961, to defend the Corporation's boldness and experimental approach to programming.

Be this as it may, I can assure you that my colleagues and I are most anxious to co-operate with this Committee in every possible way. I do hope you will find time to compare the over-all quality of our program services and our operating efficiency with those of other major broadcasting organizations in other countries. If you find it possible to do this I feel confident that in spite of the many improvements we still have to bring about, in spite of some rather silly internal controversy, you will find that the CBC ranks amongst the most progressive and the most efficient broadcasting organizations in the world—I would add, perhaps the best over-all in relation to the resources at its disposal and the particular challenges it has to make. If I can give you a glimpse of that broad picture before I leave in some months from now I would be very happy to.

(*Translation*)

The VICE CHAIRMAN: Thank you very much, Mr. President, for what you have just said. We shall now proceed with Item No. 1 of the 1966-1967 Estimates of the CBC.

Mr. FAIRWEATHER: First of all, I would like to thank the president for a very evocative statement of the role and the responsibilities of the Corporation. I think it is good to be reminded of the testimony that came before.

I am wondering about the prospects for television coverage in rural Manitoba and Saskatchewan. This has been the subject of a good many questions in parliament, and two of our colleagues who are not able to be here today are very interested in the subject.

Mr. OUIMET: I believe that certain members of the Committee are familiar with the plans of the Corporation for coverage generally and how we proceed. Actually, our engineers and our planning group have projects I imagine for every community in Canada which is not served or not served adequately at the moment. On the other hand, we proceed in accordance with a certain formula of cost per capita, and we try to do a number of these projects in accordance with this formula each year. Since you are talking about something specific in the case of Saskatchewan and Manitoba, which I think you mentioned, I am not sure that I have all the figures in my mind. I would like the permission of the Chairman to ask Mr. Gilmore, who is our vice president of planning, to give you further details.

Mr. J. P. GILMORE (*Vice President, Planning*): Mr. Chairman, taking the two provinces in question, I would like to start by saying that in television we are planning a major project at Saskatoon, from which will be developed satellite stations. We do not, at the moment, have a television station in Saskatchewan at all. As you know, the licences there were not granted to us at the start. Now we are going in, with the BBG policy enunciated about a month ago, and putting the alternate station in Saskatoon, also with studios in Regina. Mind you, this is all assuming approval of estimates to come. This is the start of the development channel there.

In northern Manitoba, I would like to tell you first of all we have an excellent television recording service which supplies our two stations at Flin

Flon and The Pas in north central Manitoba. We had hoped originally to build a station at Baldy Mountain half way up the province and fill in there, but because that satellite was not granted the Corporation—we have a gap there which we hope to fill. Beyond this there are three basic areas which must be covered. I might say, first of all, that at Churchill we program the station mainly. It is a community operated station. We are watching its operation and we are in touch with their management to see that they do not get into too much trouble. But let us take the specific problems one at a time—Thompson, Lynn Lake and a couple of other smaller communities. These areas are going to be covered by what we think is a very exciting new development, Mr. Chairman. It is called euphemistically the Frontier Coverage Package. It is a small, self-contained transmitter which will be programmed either from a network connection, if we can get the network up that far, or from television recordings—a cheaper method of videotape than the standard network distribution method. We are starting experimentally, hopefully in the early spring at two locations, one of which is Lynn Lake, the other Yellowknife. If this works, as we think it will, at Lynn Lake, this is the beginning of a development in northern Manitoba and about 30 other locations which we have pinpointed across the Canadian north. That is what is in the books.

(*Translation*)

Mr. CLERMONT: I would like to ask a supplementary question. Mr. Gilmore mentioned the West. Do you have problems for some areas in Quebec? I am basing myself on certain questions put in the House and on letters received by myself with regard to a satellite service.

Mr. OUIMET: The areas which do not receive adequate service for the time being either in radio or television are widespread all over the country. In Quebec there are many such areas, but there are also some in other provinces.

Mr. CLERMONT: Does the CBC intend to carry out the programme announced by Mr. Gilmore for Saskatchewan and Manitoba?

Mr. OUIMET: Yes, exactly. We have exactly the same kind of plans.

(*English*)

Mr. FAIRWEATHER: I have two more question, which will be regional. What are the plans for the English television station in New Brunswick now that the freeze is off.

Mr. GILMORE: I presume you are referring to the Fredericton Area. Actually, we interpret the new policy announcement of the BBG as permitting us to apply within the next 18 months for a station down there. Now, the big problem, as you probably know, is the channel allocation. We are serving with DOT and BBG on a committee to take the channel allocations down there and redistribute them if at all possible, hopefully bringing in what we call drop-in channels to give a little more coverage possibility before moving to UHF—that is the other band; we are in the VHF band now, of which there are effectively 12 channels. Although there are 13 allocated the number 1 channel is not used because it interferes with amateurs. The 12 channels there are pretty well allocated throughout the region. There is, as you know, about two channels possible. We hope to get a third in and then reshuffle the whole thing. Hopefully, the objec-

tive of this committee is to provide complete alternate viewing throughout that entire area; the CBC as the prime national service and CTV.

Mr. OUIMET: Mr. Chairman, may I add something to what Mr. Gilmore has said because I think it is quite important. As you know, television has developed somewhat on an ad hoc basis. The timing of applications for licences in various areas depended on the conditions on the market that they were to serve. We are at the stage where there must be an over-all study of all our channel resources before we go much further, so that we make sure that we do not grant a channel to one particular applicant today which might be vitally necessary tomorrow in order to provide broader coverage and a more efficient pattern of coverage.

Mr. MACDONALD (*Prince*): Could I ask a supplementary at this point on maritime re-allocation of channels. It is my understanding that involved in this re-allocation there is in the minds of the CBC the possibility of acquiring the Charlottetown operation, CFCY not with those call letters and operating a television operation out of that area?

Mr. GILMORE: Mr. MacDonald, the problem there is that of the private operator is an affiliate and a good affiliate of ours and if he gets into the situation where the station is untenable, as he anticipates, we would propose not to let that station go because we would require it for the national coverage. It gives an excellent coverage there.

Mr. MACDONALD (*Prince*): You say you would not let it go. You mean that this would be an origination point, not a satellite transmission?

Mr. GILMORE: No, it would not be a satellite. The plan there—and as you realize it is a small plant—would be to keep it operating pretty much the way it is now, but we would increase by about double the national network service carried, while still keeping a good bit of local identity such as news and public affairs.

Mr. FAIRWEATHER: French language radio and television in eastern and northern New Brunswick have been under criticism publicly and by various agricultural and other groups recently. What are the plans to increase the coverage in that part of my province?

Mr. OUIMET: I think we will leave this to Mr. Gilmore; it is more in his field.

Mr. GILMORE: Mr. Chairman, I am not sure I understand the question clearly. I should go back to base and say to you that on the planning format of the corporation we have a complete plan for French and English networks, radio and television, for distribution right across the country and hopefully, distribution by satellite for program sources eventually—sooner than later on that one. In the case of the coverage in the New Brunswick area, we have tentatively allocated channels and we are proceeding on the cost per capita basis. As you know we have one station—

Mr. COWAN: You mentioned cost per capita; it is nice to know that you are even thinking about it. I am talking about the CBC, not you personally.

Mr. GILMORE: We do all our planning on a cost per capita basis, sir.

Mr. COWAN: It is quite interesting to hear that you even think of cost.

Mr. GILMORE: Mr. Fairweather, there is one licence pending in that area and there are about four projects which are not in the licence stage but are in the planning stage. As you know, up at the end of the island and over toward the Madeleine Islands we have a complete service. Cheticamp, Madeleine and one other area. We expect to expand that network service which we are required to get up to the maximum population area by branches off. We have about four areas under study at the present time.

Mr. FAIRWEATHER: The reason I asked the question was that only last week complaints were received from Moncton about the power.

Mr. OUIMET: This is very important. Would you comment on that, Mr. Gilmore?

Mr. GILMORE: We are increasing the power of Moncton. We are in the process of doing that to give a much better area of coverage to pick up some thousands of people in the area; then based on the proof of performance we expect to happen, we will plan other satellites from there.

Mr. FAIRWEATHER: When is this going to take place?

Mr. GILMORE: I would say this is a 2 to a 2½ year development project, assuming the estimates go as we hope they will.

Mr. OUIMET: Excuse me; it is 2 or 2½ years on the basis of the over-all project, but actually the increase in power at Moncton is already in process.

Mr. MACDONALD (*Prince*): Just a specific supplementary at this point. Will this power increase also affect the broadcasting of the French station to the heavily settled Acadian area of Prince Edward Island, because there has been some real problems there.

Mr. GILMORE: Hopefully yes.

Mr. MACDONALD (*Prince*): I wonder whether the broadcasting pattern perhaps even needed to be altered.

Mr. GILMORE: Let me tell you, Mr. MacDonald, that the curves drawn indicate they will. I believe the curves, when they perform, and then when we see where they fall short because of shadows and what not, we put the satellites in.

Mr. PETERS: This is the radio field, I presume.

Mr. GILMORE: The last one was television.

Mr. FAIRWEATHER: I have one last chauvinistic and personal question. When can we get national news and national commentaries in the maritimes at 11 o'clock at night?

Mr. OUIMET: We have had this project on the books now for some years but, as you know, this is an improvement in service and must be listed as such when we appear before the Treasury Board. Uusually in the traditional process of paring down estimates—and we are not the only ones affected in this way—it is the improvements that suffer, and we have had to delay this project from year to year. This matter was discussed at our recent board meeting and we decided that no matter what happens, this one must go through, because it is absolutely useless, frankly, to transmit the national news at midnight in the maritimes and to transmit it at 12.30 a.m. in Newfoundland. The whole pattern must be

readjusted. Although this will be a big program improvement, the means to achieve it are technical ones, involving additional microwaves, which is costly. This has been our problem.

Mr. FAIRWEATHER: It seems to me that the extremities of this country need national news almost more than the central parts. They certainly need the commentary because there is no national press. This is why I asked this question.

Mr. OUIMET: Mr. Gilmore could explain this a bit further.

Mr. GILMORE: Mr. Chairman, I think it would be useful just to explore for one minute what is involved. As you know, it is generally acknowledged that in Calgary we operate one of the most outstanding and up-to-date videotape delay centres in the world. This is a videotape delay centre for television and it is pretty easy, as the time zones move that way, to delay the central or eastern time zone material; but as it is a little difficult to anticipate time—we have not found equipment to do that—what we are talking about here is literally producing the English or French network service, whichever is involved, one hour or 1½ hours—and at the moment, we are planning one hour. Newfoundland will still have it one-half hour off. We will produce everything one hour earlier. We have a choice in news, which is the critical thing as you mentioned—and certainly we agree. Do we release live news one hour earlier in the east, or do we release it only to the maritimes, record it and delay it with updating, or do we produce two—and this is really the essence of the problem.

Mr. FAIRWEATHER: Thank you very much.

Mr. MACDONALD (*Prince*): I know I should know this from Mr. Ouimet's report, but I wonder if you could give us the gross receipts or revenue of the CBC compared to the amount of the operating grant for this year and next year.

Mr. OUIMET: The gross receipts are of the order of $30 million odd, but Mr. Davies can give you the exact figure. I presume you are talking about the gross before payments to the private stations and to other networks because we have to pay a commission. Our net is of the order of $25 million and our gross about $35 million.

Mr. MACDONALD (*Prince*): The other day in this Committee, when dealing with the Archives and the National Library, I brought up the subject of retaining in some orderly system a lot of our cultural production that is now coming forth in film, videotape and sound recording tape. The National Library has not really made a move in that direction as yet. I mentioned that it was my understanding, to quote myself, that the CBC-owned archives, particularly with respect to videotape and film, were a bit chaotic. I would like to know from you sir, or others who are with you today, what provisions are now being made to keep in some orderly fashion the hundreds of thousands of footage of film. Certainly this material will be of great benefit to future citizens when they wish to study what our society was doing, saying and thinking in the year through the 1950's, the 1960's and so on?

Mr. OUIMET: At the moment, we do have what I might call an archives system in its preliminary stages of development. I feel very strongly that we should develop it further, but it is something that costs quite a bit of money to

keep going simply because videotape is expensive. Every reel of videotape costs some hundreds of dollars. I think we have many programs that deserve to be kept practically intact—all of the news items—

Mr. COWAN: "Seven Days".

Mr. OUIMET: Some items on "Seven Days", yes, and we are transferring some of those to film and to kine recording, the old method of recording; but even that is fairly expensive and we are not doing as much as we should be doing. This is something which is now being studied as there is a need to do a great deal more.

Mr. MACDONALD (*Prince*): My concern is not whether or not it should be kept. I understand a lot of material is kept but on kind of a helter-skelter basis—opera is almost impossible to locate. Also, it is difficult to ascertain whether the material is there from a production that was produced three or four years ago. In some instances some very important pieces that have been done have simply disappeared. Whether they were thrown out or put in a back room somewhere, I do not know. There seems to be a lack of organization. This is a matter that concerns me. There is no criteria, there is not sufficient staff available to make a good cataloguing service, and this has been a particular problem.

Mr. GILMORE: May I comment on that, sir. I would say that the negative of all of the public affairs or important historical material is available. The negative of commercial drama or this sort of thing is not available. There is a deliberate policy on this. We have kept the negative and one print in kine. We are in process of making a selection from the videotape—and you are perfectly right; there is not enough staff to do this full time. It is quite a comprehensive job to do. As I just mentioned to the President, one of our centennial projects to start next year is the careful analysis of this, and we are giving a little concentration on this with the centennial money in next year's budget.

Mr. MACDONALD (*Prince*): I am glad the centennial came along right now, Mr. Gilmore. I would hate to think we would have to wait to get it from a supplementary source.

Mr. GILMORE: We agree, and we are not the only broadcasting organization in this difficulty. It is just the sheer volume of millions and millions of feet of film.

Mr. PETERS: How do you store this material? What is the physical problem? It seems to me that if you do keep the kine tape you have an immense volume of it. Will we eventually require a building to house this material?

Mr. GILMORE: Hopefully not.

Mr. PETERS: Is there a way of doing it? For instance, we have reduced newspapers to microfilm, and they are easily stored. Is there a possibility of this?

Mr. OUIMET: No. There is no possibility of doing that. We would not need a building but we would still need a large area but I think it is something that is worth while. To date more demanding and more urging problems are requiring our attention, and we have not pushed this as much as we perhaps should have. It is also a question of priority in the allocation of funds. I would agree definitely

that in terms of advantages and obligations to the country we should have a much better organized archives system, even if it costs money and we have to cut somewhere else.

Mr. PETERS: Do we have people who can do this? One would have to be skilled to make a selection that would be representative. I do not suppose there is a need to keep everything.

Mr. OUIMET: I do not think this should be a problem. Actually, more pressing matters and the cost of it have been the problems in the past.

Mr. MACDONALD (*Prince*): It has been an increasing concern of mine that the CBC has done some excellent programming in the field of what we might call adult education and public affairs, and there has been a particular emphasis on this in television over the last few years. I have had the opportunity of viewing some of these excellent productions on television—some of them I have not; I have heard about them but I simply was not available to watch the program on a particular evening—but my concern is that once the program has been produced that is it. I would like to think that the CBC is starting to think—and it is likely you have been thinking about this—in terms of utilizing resources such as the National Film Board to make some of these first rank productions available for private viewing, conferences, study groups, even for second showings on private stations or affiliates. It seems altogether too often that a good program is shown once—if it is super special it may get a second showing a year later—and then it is no longer available. We do not know where it is stored but, basically, it does not get the kind of circulation that a show of this quality should. I think it is a shame that we have a whole system of distribution through, for example, the National Film Board, which so far has not really been able to make use of that kind of opportunity.

Mr. OUIMET: I think you are right. It is unfortunate that this is so, but there are reasons for this. In the first place, let me say that we keep all of these major efforts and even some of the minor ones if they turn out to be of importance or of particularly high quality. We have the rights only for broadcasting; we do not have the universal rights. If we bought universal rights, it would be a great deal more costly.

Mr. MACDONALD (*Prince*): I am thinking of productions that your own staff do, or that you produce—programs like the "Sixties", or something like this.

Mr. OUIMET: But even at that there is usually music or something in the program where it would be difficult, and in that case we would have to pay more in order to make it available for theatrical distribution, for example, through the National Film Board, or even for any distribution to the public other than on the CBC network, because usually we have "one shot" rights only.

Now, there is another problem; we have always interpreted the Broadcasting Act,—and I do not think there is any other way of interpreting it, at least according to our legal counsels—as allowing us to use our funds only for broadcasting purposes. Therefore, even for such good causes as making available some of these programs—for example, for schools—in the form of films which would be sent to them, or even for closed circuit television—we have had requests for

our programs for close circuit television—we have been advised that we could not use our funds for such purpose since they are clearly defined as not being broadcasting under the Act. In other words, for us to do this, which I think would be very worth while, the Act would have to be modified so that we would be allowed to spend some money for what is not now broadcasting.

Mr. MACDONALD (*Prince*): Obviously, this is a good time to make that kind of suggestion because I think we should not allow good purposes like this to be hamstrung by what seems to me to be basically problems of administration. I think that it is so important that we do this that we should take this very seriously into account when we do see the first drafting of the broadcasting bill.

Mr. COWAN: Mr. Chairman, just bearing on the point that Mr. MacDonald is raising—and I do not want to interrupt the point you are raising—was the film "Mr. Pearson" made by the CBC or by a private producer?

Mr. OUIMET: This was made by a private producer for the CBC.

Mr. COWAN: The CBC paid him for it?

Mr. OUIMET: That is right.

Mr. COWAN: You were pointing out just now that you were told that you cannot take a very fine adult film like the one Mr. MacDonald was referring to and make it available for other sources such as groups which meet in school houses and churches and so on. How come that the Pearson film was made available to film societies around the country? I would like the answer from you, Mr. Ouimet, please.

Mr. OUIMET: In this particular case we had an agreement with the producer which gave him the right to show this film to cine clubs, and private film groups and societies. We bought the rights for the showing in broadcasting. So he had the rights to show this film, this was part of the agreement. Actually—although we did not negotiate that aspect of it—if we had bought all the rights, including those for showing to small groups like this, it would have cost us more.

Mr. COWAN: Why could you not have the same kind of a clause in the fine adult program to which Mr. MacDonald has referred so that people other than film societies could see our fine programs?

Mr. OUIMET: Usually we are talking about programs made by the CBC.

Mr. COWAN: You are drawing a fine line between the ones made by the CBC and the ones made at the request of the CBC for which the CBC pays.

Mr. OUIMET: Yes, but this is a very real line.

Mr. COWAN: I know. The CBC has more hair-splitting in it than any other organization in Canada.

Mr. MACDONALD (*Prince*): Sir, if I may resume my questioning? Mr. Ouimet, could you give us some idea of the grants to the CBC—I do not mean for every year but, say, 1947-48 and 1957-58.

Mr. OUIMET: I will ask Mr. Davies whether he has this information. It may take a while to locate it. Perhaps we can have another question in the meantime.

The VICE-CHAIRMAN: As you wish. We will come back to that later.

(*Translation*)

Mr. Simard?

Mr. SIMARD: Mr. Chairman, I would like to know if station CJPM at Chicoutimi and CKRS-TV at Jonquière are part of the chain of TV stations controlled by the CBC

Mr. OUIMET: The television station at Jonquière? Certainly, it is a station affiliated to the C.B.C. I would not say we control it, but it is an affiliate which, under contract, must take a given number of hours from the French network of the CBC. The radio station you mentioned is not an affiliate of ours, because we have our own station in Chicoutimi, CBJ.

Mr. SIMARD: CJPM?

Mr. OUIMET: CJPM. Are you talking about radio now?

Mr. SIMARD: Television.

Mr. OUIMET: Sorry. You mean the TV station, CJPM. No, it—

Mr. SIMARD: Private?

(*English*)

Mr. GILMORE: Radio or television; that is the question?

(*Translation*)

Mr. OUIMET: No. Jonquière and Chicoutimi are two towns which are very close to one another. I do not believe that CJPM is affiliated, I believe it is the one in Jonquière which is affiliated to the CBC.

Mr. SIMARD: Is it the one in Jonquière, CKRS-TV?

Mr. OUIMET: The first one to be established was the one at Jonquière.

Mr. SIMARD: Now, in the case where television stations are under the jurisdiction of the CBC, I would like to know if the directors of the CBC have a say in the programming?

Mr. OUIMET: Under contract with our affiliates, we have the right to insist that they broadcast the number of hours provided for in the contract, but for local shows, we have no control whatsoever and we cannot force them to transmit programmes which are not broadcasted at th heours reserved. Usually it is from 8:00 a.m. to 11 or 11:15 a.m., so if we have a show at 7:00 or 7:30, even if it is an interesting show, a show in the public interest, we cannot force them to take this show. Many of our affiliates will put in more than the reserved hours; there are usually thirty-six hours a week reserved and I believe the average taken is approximately forty or forty-two hours per week. In other words, they take from our network more than they have to under contract.

Mr. SIMARD: If a large segment of the population is interested in seeing a given show, could the directors of the CBC use their influence to broadcast a given programme which had been eliminated by the station? I am thinking of the show "Aujourd'hui".

Mr. OUIMET: No, we do not have this authority. We have tried in some cases to influence private stations, our affiliates, but we did not succeed. We have no authority really, in that respect. That is the big question.

Mr. SIMARD: Should I understand that your authority is limited by these stations?

Mr. OUIMET: No, our authority is limited by the present laws of television. We have a given number of stations which are part of our network, and these stations broadcast all our programmes. But these stations cover only about 70 per cent of the population of Canada, whereas 25 per cent of the population is served by affiliated stations. This 25 per cent of the population just gets part of our programmes and local shows put on the air by our affiliates. The present system of broadcasting in the country does not give us authority to demand more from our affiliates.

Now, the B.B.G. has some authority in this respect, but up to now they have not used it in this particular field. The B.B.G. seems quite satisfied with 35 hours a week. It seems to be a reasonable proportion of the time of affiliates. After all, the affiliates have to make a living and what they receive from the CBC for commercial programmes would not be enough to keep the station going. In other words, they need local programmes to get extra income, also they have obligations vis-à-vis the city or town they serve, so they cannot always use network programmes. This is a rather complex problem which makes the operation of the CBC rather complicated and which would certainly be simplified if the CBC had its own stations as is the case in the other countries in the world where there are private stations and stations which are publicly-owned or State-owned. But, we try to make our broadcasting system the most complicated possible system in the world.

Mr. SIMARD: Shouldn't I deduct, then, Mr. Chairman, that this is really a deficiency in the law?

Mr. OUIMET: Yes, personally I believe so.

The VICE-CHAIRMAN: Mr. Béchard?

Mr. BÉCHARD: Mr. Ouimet, I am sorry to come back on the extension of TV and radio services in remote places. You are probably aware of the fact that in Québec, as Mr. Clermont mentioned earlier, there are areas which are not yet covered in any way whatsoever by television. I am particularly thinking of the very underdeveloped region of the North Shore, let us say from Hâvre Saint-Pierre to Blanc-Sablon, a distance of about 700 or 800 miles, where there is absolutely no ground communication, no roads, no telephone. The only means of communication is the St. Lawrence. Many organizations made representations to the CBC, to the Government, to the Secretary of State particularly. Those people, without wanting to insult them, are really retarded, because of the lack of communication with the outside world. Television would help to educate this area, to help these people and, despite very many representations and requests, it seems to be a question of budget, not much is being done to extend the TV network to the North Shore. Could you tell us what has been done up to now to give television to that area.

Mr. OUIMET: The problem of the North Shore of the St. Lawrence is the same as in many other areas in Canada. Although they represent just 5 per cent of the Canadian population, there are at least 100 communities or villages which do not have any adequate television service, or even radio services. Here again, it

is a question of cost per capita. And if the North Shore does not have television coverage today, it is very simply because the cost per capita is higher than in many other areas. According to our standard formula, we give service to the cheaper areas. This is the only reason. Maybe Mr. Gilmore could give us a few more details. If we spent much more to extend our services throughout the country, if we accelerated that service extension, everybody would of course be served more quickly than they are now.

Mr. GILMORE: I will answer in English, with your permission.

(*English*)

You will understand my terminology when I say the cost of these isolated areas you have mentioned rises very steeply because of the difficulty of getting service there. It is the operating costs and not the original capital installation. I think about half an hour ago I mentioned the quite exciting development of small, completely self-contained units and the two experiments we are doing. If these are successful, these areas will come within our cost per capita. At the cost level we are operating now, the areas you mention are just about double the cost per capita that we can afford at the moment within our resources. However, we hope to cut by almost a quarter, or by almost three-quarters right at the start, the cost of covering these small areas with the small transmitters, self-contained and programmed with tape cartridges of four units of four hours of programming. And these areas are within the 30 that I mentioned that will follow, I think, the successful experiment with the two areas.

Mr. OUIMET: Just in case somebody gets the impression that this is going to be "live" television, happening receivable the same day that, say, a sporting event takes place, I must tell you that it will not be; this will be recorded. On the other hand, using this method, which would mean a delay because of the first shipment and then delay in sending the tape from one station to another, it would still be much better than no television at all; it is a first step. One great thing in all this is that everyone knows that in the fairly distant future, but still in a man's life not too distant, in about 15 years it is probable that all parts of Canada will receive transmission directly from a satellite—and I am talking about direct reception now; it will be a lot sooner than that for satellites to replace the microwave network. Some of these small stations which would be too costly now to operate because of the long networks which are needed to give them "live" television, will be more feasible economically in four or five years from now with the satellites which could be received by the local stations. Although there will be some added expense there, still it will be cheaper than a network.

(*Translation*)

Mr. BÉCHARD: I understand, Mr. Chairman, that in five or six years it will be cheaper, but even then, one will say that in four or five years again it will be a little cheaper. In some areas, northern Manitoba, for example, there is television, if you pay a little to be connected to a cable. In the specific case of the North Shore, where there is no TV service whatsoever, there is no cable, there is nothing at all. Could steps not be taken to accelerate things in this case?

Mr. OUIMET: The problem here is money, but also to treat all areas not being served, in a fair way. Of course the CBC would be extremely happy to

serve the North Shore, northern Manitoba, the people in Yellowknife or Whitehorse, to give them all the services they need. But we must have some kind of priority, otherwise people left without service would be justified in complaining. This is why we proceed according to costs. We serve first the areas which are the cheapest to service per capita. But there are other considerations, for example, if there is a centre which is extremely important for the economic future of the country, and wanted to get people interested in settling there, but people would not settle there without television. Thus we should take these considerations into account also.

But, so far we have not done this in a systematic way. We have kept to our formula with a few changes, in order to have a balance between the areas served in the country. For example, if our formula gave us this year the first 20 stations in British Columbia only, we would have a problem on our hands. Thus, we try to serve the whole country in a fair way, and also serve both language groups in a fair way. But we don't vary too much from the formula.

Mr. BÉCHARD: When you have a contract between the CBC and affiliated stations, does the CBC pay money to the affiliated stations for the time they—

Mr. OUIMET: Yes, these affiliated stations receive a percentage of their hourly rates for commercial programmes which are put on the network. We sell our network, we also sell our CBC stations and the time of our affiliates, and that is the way they are reimbursed.

Mr. BÉCHARD: In this case, if a station or another takes the initiative of using more time from the CBC, if they decide to give their people the programme "Aujourd'hui", which lasts a half-hour, would they receive extra money?

Mr. OUIMET: No, that station would not receive extra income because "Aujourd'hui" is not a commercial show. But in "Aujourd'hui" there are two periods of one and a half minutes, I believe, at the beginning and at the end, which enables the station to insert spot announcements and bring in some revenue.

Mr. BÉCHARD: I have another question to put. Is work continuing on the broadcasting site?

Mr. OUIMET: Yes, it is.

(*English*)

The VICE-CHAIRMAN: I still have four more names on my list and to give a fair chance to everyone of you, before we go any further may I ask Mr. Davies if he has the answers.

Mr. MACDONALD (*Prince*): Perhaps we could leave it to the end because I then have some questions about his answers.

The VICE-CHAIRMAN: That suits me. Mr. McCleave, did you have any questions?

Mr. MCCLEAVE: Yes, I have a very brief question, Mr. Chairman. But first, I think Mr. Ouimet should be complimented on behalf of the people of this country on giving a large number of his years to a very difficult position, and I do so.

My question sir, relates to the form the vote takes before Parliament. Is it correct that you have capital expenses mixed in with the day to day operations as well?

Mr. OUIMET: I do not know whether your wording would be exact and would be accepted by Treasury Board but what happens is this: capital expenditures of the corporation are financed through loans from the government to the corporation. On the other hand, in the operating budget, in the vote for the net operating requirement of the corporation there is a provision for the corporation to repay interest and capital on the loans. Next year, for example, I know this will be of the order of some $6 or $7 million.

Mr. MCCLEAVE: Is the amount, say, for your new set up in Montreal and other places included in vote No. 1 that we are considering this morning?

Mr. OUIMET: Not in toto, but that part of it that covers the interest on the loan already made. In other words, if we borrow $3 million to do the job then we have to pay the interest on the $3 million. Also, we have to start paying back. Is it 1/20th, Mr. Davies?

Mr. DAVIES: We pay it off on the basis of 1/20th per year commencing in the year following the loan.

Mr. OUIMET: There is a payment of principal also.

Mr. DAVIES: The interest rate is as set by the Comptroller of the Treasury in relation to government borrowing; it varies between 5¼ and 5⅜. I think it is now about 5⅜.

Mr. COWAN: If you are paying 5 per cent on a loan, over a 20 year period it costs twice as much to do it this way than to give it to you as a straight, outright, operating grant.

Mr. DAVIES: I think it is accepted that if one has to pay interest, Mr. Chairman, it is more expensive than when one receives the money.

Mr. OUIMET: So far as we are concerned. So there is no misunderstanding about this, I should add that we would rather have it as an outright grant. It would be simpler all around, but we understand why it was set up this way.

Mr. COWAN: Why? I do not understand why. I have never been able to understand why?

Mr. OUIMET: It is simply so that our books will reflect the cost of financing the money we need for capital. On the other hand, we have to ask for the money in order to pay it back. So it appears practically twice. It appears in toto in the first loan and it appears for 20 years as we pay it back.

Mr. COWAN: You were pointing out to us the $3 million grant on this Montreal setup and you have 20 years to repay it. Why not get the $3 million right now instead of repaying $6 million, the original capital grant plus interest?

Mr. OUIMET: I cannot possibly find any way to disagree with you on this.

Mr. MCCLEAVE: Well, it's close when the doves and the hawks get together. Could I continue this line of questioning?

The VICE-CHAIRMAN: Well, Mr. McCleave, I am sorry to interrupt at this time but we have to evacuate this room a little before 11 o'clock. If you have no objection maybe next Tuesday, when we start again at 9.30, we will have more time to discuss all these matters. May I humbly suggest to all members of the

committee that they be here a little earlier. Before we adjourn, could I ask Mr. Davies to put on the record the answers to Mr. MacDonald's question?

Mr. DAVIES: Mr. Chairman, I believe the question had to do with the amount of public funds for the year 1947 or 1948. Perhaps I could say that in the year 1945-46 it was $3,773,000-odd; in 1947, $3,900,000, and in 1948, $4,798,000. The one thing I would point out, Mr. Chairman, is that this is in dollars of those days and if you convert these to 1964 dollars 1948 would go up to $8,637,000.

Mr. OUIMET: And this is radio without television.

Mr. DAVIES: I was going to bring this out, Mr. Chairman. This relates only to radio, and in relation to today's figures perhaps I could say that at that time the corporation operated 11 radio stations and one leased with 13 l.p.r.t. and 85 affiliates. In 1965-66, we were operating some 31 radio stations, 141 l.p.r.t., 16 TV stations, 33 l.p. t.v. and 228 affiliates both in radio and television.

Mr. OUIMET: The country has grown a great deal.

Mr. DAVIES: I think it is necessary to have this kind of balance because of the amount.

Mr. MACDONALD (*Prince*): What about 1957-58, or did you look at that?

Mr. DAVIES: The amount for 1957-58 was $37,565,000.

Mr. MACDONALD (*Prince*): Mr. Chairman, before you adjourn the committee could I ask the corporation to provide a little more information at the next meeting. I think it is something they will want to work on.

I would like to know two other things for next week. I would like to know the amount of receipts, similar to a question I asked this morning, coming to the corporation in those same time periods. Also, I would like to have a general breakdown on administration on the one side, if this is possible, and, on the other side, the amount spent directly on production.

The VICE-CHAIRMAN: I understand these questions are being taken as notice. Gentlemen, I must thank you now for your co-operation and I hope on Tuesday, November 22nd, we will be able to start at 9.30 sharp. If it is agreeable to the committee, maybe Mr. Ouimet, our guest this morning, will come back with Mr. Davies, Mr. Gilmore and Mr. Coderre.

May I again remind all members of the committee to please send your questionnaire on this trip to Montreal early in December, to Mr. Slack in order to help us prepare the program.

(*Translation*)

The VICE-CHAIRMAN: Mr. Ouimet, let me thank you, Mr. Gilmore and Mr. Coderre very much for coming here today. Next Tuesday we shall be very eager to see you, to have the same kind of interesting discussion.

(*English*)

That is all for today, I thank you all.

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 28

TUESDAY, NOVEMBER 22, 1966

Main Estimates (1966-67) of the Canadian Broadcasting Corporation

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WITNESSES:

Messrs. J. A. Ouimet, President; J. P. Gilmore, Vice-President, Planning; and V. F. Davies, Vice-President, Finance, all of the *Canadian Broadcasting Corporation.*

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25257—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),
Mr. Basford,
Mr. Béchard,
Mr. Brand,
Mr. Clermont,
Mr. Cowan,
Mr. Fairweather,
Mr. Hymmen,
Mr. Johnston,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
[1]Mr. McIntosh,
Mr. McCleave,
[2]Mr. Mather,
Mr. Munro,
Mr. Nugent,
Mr. Pelletier,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Simard,
Mr. Stafford—(25).

M. Slack,
Clerk of the Committee.

[1] Replaced Mr. Macquarrie on Friday, November 18, 1966.
[2] Replaced Mr. Peters on Friday, November 18, 1966.

ORDER OF REFERENCE

FRIDAY, November 18, 1966.

Ordered—That the names of Messrs. McIntosh and Mather be substituted for those of Messrs. Macquarrie and Peters on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

25257—1½

MINUTES OF PROCEEDINGS

TUESDAY, November 22, 1966.

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Vice-Chairman, Mr. Jean Berger, presided.

Members present: Messrs. Béchard, Berger, Brand, Clermont, Cowan, MacDonald (*Prince*), Mather, McCleave, McIntosh, Prittie, Richard, Stafford—(12).

In attendance: *From the Canadian Broadcasting Corporation*: Messrs. J. A. Ouimet, President; V. F. Davies, Vice-President, Finance; J. P. Gilmore, Vice-President, Planning; Guy Coderre, Vice-President, Administration; Ron Fraser, Vice-President, Assistant to the President.

The Committee resumed the consideration of Item 1 of the Estimates for the Canadian Broadcasting Corporation.

Mr. Ouimet tabled a reply to a question asked by Mr. MacDonald (*Prince*) at the previous Committee sitting, relating to CBC revenues and expenditures, copies of which were distributed to each member of the Committee.

Mr. Ouimet was further examined, assisted by Messrs. Gilmore and Davies.

The examination of the witnesses still continuing, at 11.00 a.m., the Committee adjourned until 9.30 a.m. on Thursday, November 24th.

M. Slack,
Clerk of the Committee.

Note: Prior to the next sitting, the Estimates of the CBC were withdrawn and returned to the Committee of Supply in compliance with an Order of the House of November 22, 1966, relating to all unreported Estimates. (No sitting was held on Thursday, November 24).

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, November 22, 1966.

The VICE-CHAIRMAN: Gentlemen, due to the fact that we have to leave at 11 o'clock today, I think we had better start the meeting. We will start where we left off last week. We are still on item 1 of the Canadian Broadcasting Corporation. I understand Mr. Prittie would like to start, but before we go any further—

(Translation)

The VICE-CHAIRMAN: I believe that Mr. Ouimet has a more complete answer to a question put last week. If everybody agrees, we will ask Mr. Ouimet to provide the answer, after which we will proceed to the questioning, beginning with Mr. Prittie.

(English)

Mr. J. Alphonse OUIMET (*President, CBC*): This is in answer to a question by Mr. MacDonald and it would be difficult to read it because it is in tabulation form. I think the best thing to do would be to present copies to the clerk of the committee, and we have other copies in French and in English as you may need them.

Mr. MACDONALD (*Prince*): Perhaps we can look at them while Mr. Prittie is reading his question and we could come back to it afterwards.

Mr. PRITTIE: Mr. Chairman, this is the first time I have seen Mr. Ouimet since the Committee was meeting on "Seven Days" last spring and I was not on his side at that time, but in the meantime the CBC has had its 30th anniversary and I would like to say at the start that I congratulate him as one of the pioneers of the corporation, and also say how much pleasure I have had from both CBC radio and television over these thirty successful years.

Mr. OUIMET: May I thank Mr. Prittie for these kind words. We appreciate it very much.

Mr. PRITTIE: I would like to raise a question which I brought up before, and this is the question of revenue from advertising for the corporation. I know the Committee on Broadcasting recommended that the corporation should try to get more commercial revenue. I do not happen to agree with that, but I recognize that it is probably necessary in television. However, I have always felt that if there is one place in all the airwaves of Canada, both in radio and television, where we could perhaps have one wave length in each area free from advertising, that would be CBC radio. I would like to know if there is any possibility of CBC radio getting along without commercial advertising in the future, and I am only speaking of radio here.

Another point in this connection, before the president replies, is that I did see a news report recently that some slot around the time of the news would be available for advertising announcements. I do not think I would like that very much and I do not think the many people who highly regard the CBC radio news would like it very much either. Perhaps I have posed those questions generally enough so that the president can answer.

Mr. OUIMET: Mr. Chairman, regarding radio advertising on the CBC, you may recall that at the time of the advisory committee on broadcasting chaired by Mr. Fowler we recommended that the CBC be allowed to withdraw from advertising on radio except for programs which would not be available on any other basis for example, sports events that would not be available or even such things as the Metropolitan Opera, which we believe we should carry. The committee did not accept our recommendation and actually recommended what is in effect an increase in our commercial activities for radio.

The same is also true of television. In the case of television, we stated that the extent of our commercial activities at present interfered with the achievement of our primary program objectives, and we asked not to be pushed into further commercial activities. As a matter of fact, we requested some relief and our recommendation was that our present dollar volume of advertising be frozen. However, the committee did not accept this recommendation and actually recommended an approach which would mean a considerable increase of commercial advertising in the future. We are very much concerned with this.

As far as slots around the news are concerned, I think we have had this for some time. This is not the same thing as the sponsorship of news. In the case of sponsorship of news you allow a sponsor to associate his name for advertising purposes with the whole newscast. In this particular case it is simply a spot announcement before and after and it may vary; it is not necessarily the same sponsor who may have this particular spot. As you know, we have spots at 11 o'clock in any case. Therefore it is a question of a different approach. When you have to meet certain commercial targets you have to find the means of achieving it.

Mr. PRITTIE: Therefore the whole question of the future of advertising, particularly in radio, is a policy one, Mr. Ouimet?

Mr. OUIMET: It is a policy one which will come up when we discuss the white paper.

Mr. PRITTIE: Thank you very much. I have another question that has to do with your radio service to various communities across the country. I am looking at the CBC *Times* put out in Vancouver, and there is a list here of your own stations and of the affiliated stations and then of your low power rebroadcasting stations. I notice there are 48 low power relay stations in B.C. and this is because of the mountains. I suppose, this is the only way many people can get service. I notice in some places such as Prince George there is a private station which is affiliated with the network and there is a low power relay transmitter listed as well. Then I notice at Kamloops there is a private station which is affiliated but with no low power relay. My question is this. In one place you seem to serve some of the network broadcasting through a private station and have a low power relay transmitter which carries everything that is going on

the network, and in Kamloops for example you just have the private station. My concern is that as I have travelled through rural B.C. and rural Ontario I have heard some of these local stations and their fare might suit some people but it would not suit me very well. I would like to have a CBC station available if I were living in some of these areas.

If I lived in Prince George I would have it; if I lived in Kamloops I would not. What is your standard for determining whether you give this double service?

Mr. OUIMET: Actually there are very few locations where there is a combination of an affiliate carrying some of our service and a CBC low power relay transmitter or some other station carrying all of the service. There is an historical reason in the case of Prince George. If I remember correctly, we had our station there before the private station and we simply decided to keep it because it is a very cheap operation and only costs a few hundred dollars a year to maintain. In other places, if the city is of any size, it is not possible in the first place to cover it with a low power relay transmitter even if it is economical. You have to build a bigger station at a higher cost. We have thought that, in the order of priority of service that has to be given, we should use our funds to provide service in areas which are not getting any service at all, rather than to increase the amount of the CBC service in areas already served by an affiliate. The problem is one for the long-term haul because obviously at the moment, as we cover only about 70 per cent of the population of the country through our own radio and television transmitters, there is another 25 to 28 per cent which gets only partial service through affiliates. We think that in the long run this 25 to 28 per cent should have the full service of the CBC which they pay for as taxpayers.

Mr. PRITTIE: Then as a long-term objective you would want to serve such areas, whether by stations or transmitters, as much as you can, even though a private station may be existing?

Mr. OUIMET: We would like to do it as a matter of principle. Actually it has been done gradually over the years. Our coverage is increasing as we build transmitters from year to year. One good reason is that all of the small communities in Canada that already exist or that may open up as the country develops are not of sufficient population to support commercial stations and therefore the CBC goes in to establish the service. That increases the percentage of our coverage. Furthermore, there are a number of other cases, for example, where we have been planning stations in the capitals of the provinces. In the case of Saskatoon—

Mr. PRITTIE: That is not a capital.

Mr. OUIMET: —it is not a capital, but this is a substitute for the capital as there are already two stations in Regina. The same thing applies in New Brunswick, and so forth. This also would increase our coverage. We would like to go faster in this respect, but there again is a matter of policy.

Mr. PRITTIE: The situation rises, particularly in areas such as B.C. and northern Ontario where, because of the terrain, your large units such as Vancouver and Toronto do not cover many of the areas. I notice on page 75 of your

report you say that there are 78 communities of 500 or more population not receiving CBC radio network service. I suppose communities of that size would simply be served by transmitting stations rather than actual broadcasting stations?

Mr. OUIMET: Yes. In most cases where the population is not very high it would not be justified to establish full CBC stations with studios. On the other hand, when I was talking about the capitals of the provinces, in that case we feel that we should have the production facilities to reflect each province to the rest of Canada.

Mr. PRITTIE: So you say you have one planned in Saskatoon?

Mr. OUIMET: We have one planned in Saskatoon in lieu of Regina, but we hope to have originating facilities in Regina. We have a plan for the Saint John-Fredericton area, and also one for Victoria.

Mr. PRITTIE: These are radio stations you are speaking about?

Mr. OUIMET: No, I am talking about TV right now.

Mr. PRITTIE: I have been speaking about radio.

Mr. OUIMET: I am sorry. In the case of Saskatchewan we already have a large radio transmitter in Watrous, which is about 40 miles from Regina, and we have studios in Regina. In the case of radio, we are pretty well established in terms of coverage in each province. Not coverage for the population of each province, because there we have to depend on affiliates for much of our coverage, but we are fairly well equipped in terms of studios which originate from each province, which is not the case for TV.

Mr. PRITTIE: Thank you. I have one other question and it is based upon the memorandum put in by ACTRA to the Secretary of State in April. They had a number of critical comments to make about the use of Canadian talent. They were much more critical of CTV than the CBC, but they were also critical of the CBC. I believe they make the case that the proportion of your budget which you are spending for Canadian talent in the way of drama and entertainment programs has been going down. Is there any change contemplated in that situation for the forthcoming year?

Mr. OUIMET: Did you say the proportion of the budget or the volume? Actually in dollars there has been no decrease in terms of percentage of the total budget. I do not believe that the amount allocated to fees for artists and performers has quite kept up with the other expenditures, but this is simply a problem of the financial resources of the corporation being tight in relation to what we have to do. For example, you were talking about coverage, and although the amount that we are spending on distribution at this time is still not a great percentage, but as you increase it—and it will increase in the future—it does not contribute anything to the development of programs by themselves or contribute in terms of fees to the artists. Therefore there are certain elements in our expenditures which are going up, which have in effect a depressing influence on the percentage given to the artists. Furthermore, because of a shortage of funds, we have had to cut down on many of our major efforts. In the field of variety, for example, we have fewer big variety shows today than we had some

years back, and this is particularly true in the field of drama where we used to do a great deal more. These things are expensive and we have had to allocate our funds in accordance with the amount at our disposal,—which is still a large amount.

Mr. PRITTIE: I will pass now.

Mr. MCINTOSH: Mr. Chairman, I move, seconded by Mr. MacDonald, that the estimates be reduced to the sum of $1. The reason I do this is because I feel that the CBC is not carrying out the intent of Parliament. I would like to make a statement as to my reasons and in so doing I must refer to the white paper, and although I understand it is not before the Committee nevertheless it is in the hands of all the members.

First of all I would like Mr. Ouimet to define if he can, what he means by long-term haul. How many years is that?

Mr. OUIMET: Are you talking about the long-term haul for the completion of coverage?

Mr. MCINTOSH: Yes.

Mr. OUIMET: We have been developing our coverage for the last 25 or 30 years, ever since we started. Obviously the country keeps developing as we develop ourselves. We have improved our coverage greatly from year to year with some 20 low power radio transmitters each year, we are trying to build some 10 television rebroadcasting stations each year, but even at that we are not really able to cover the country 100 per cent. We will probably never be able to do so, but I think we have done reasonably well when you consider, for example, that we cover 98 per cent with our affiliates in radio and we cover some 95 per cent with our affiliates in TV. Now, 95 per cent coverage in this country, considering its immense dimensions, I think is an achievement. We are continually adding to this coverage but I do not think we will get to completion of it until we get to the point where we are using satellites which will make it a lot easier to reach distant points. This becomes purely a question of cost after a while, but I think we have been progressing quite rapidly. Perhaps not rapidly enough for the people who are waiting to get the service, but if you look at 95 per cent—and this applies to both English and French service—for a country like Canada I think we compare very well with any other country of similar conditions and size.

Mr. MCINTOSH: Actually, Mr. Ouimet, I agree with what you have said, that it has been quite an achievement to cover 95 per cent of Canada but unfortunately I, as well as several other members of the House of Commons, represent those areas that are not included in that 95 per cent. They are being asked by Parliament to pay taxes for the upkeep of the CBC. At the moment you are asking for over $100 million, and if you break that down into homes that is roughly $20 per home, and these people have been paying this for years and years.

I want to first refer to vote number 1 which we are discussing now, and it says:

> Grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service.

and you list an amount of roughly $108 million. My question in regard to this vote is what are the responsibilities of the national broadcasting service? My second question is has a list of priorities been established or has it ever been made known to Parliament or to the Canadian people? I am speaking now for those people in the remote areas. It appears to them that the CBC is only giving lip service to its initial responsibility. In the white paper which, as I said, is not before the Committee but all members have it, on page 15 under the heading "The mandate of the Corporation", the first paragraph reads as follows:

> Under the present Broadcasting Act, responsibility is assigned to the Canadian Broadcasting Corporation for the operation of a national broadcasting service. The interpretation of this phrase has been left largely to the Corporation itself, and it has fulfilled its prime responsibility to provide broadcasting services to the Canadian people as a whole in a manner that is altogether praiseworthy.

That word "fulfilled" bothers me. How can you say that it has fulfilled its prime responsibility if there are still 5 per cent of the homes in Canada that are not covered?

In the 1965 report of the Committee on Broadcasting we find this paragraph—and this is the intent of Parliament—and I will refer also to some of the Minister's remarks. In this report it says:

> The most pressing need, that which deserves priority in the plans for expansion of the Canadian radio-television system, is the extension of service to all those parts of Canada which have none.

The Fowler Commission report also recommended on page 126:

> We recommend: That the mandate of the public broadcasting agency should be clearly stated and defined as fully as possible by the legislation, and should be expanded and specifically explained in a White Paper on broadcasting policy.

I admit that part of that is the fault of Parliament, but also a part of the public not being aware of what the prime responsibility of the broadcasting service is up to the broadcasting service because it has never been made known, as far as I know. The white paper of 1966 did not clearly state or define the responsibilities of the CBC. However, the Minister stated in the House of Commons on March 8, 1966, at page 2418, the following:

> . . . the question of the extension of the services provided by the Canadian Broadcasting Corporation, first of all to parts of Canada not yet reached by any service. I fully agree, as I am sure every hon. member does, that it should be extended to such regions as quickly as is humanly possible, if it is humanly possible.

I am not referring to those areas where it is not humanly possible because of technological difficulties, and so on, but there are many areas in Canada today where it is humanly possible to put radio and television in where they have not got it.

The Minister went on further to say at that time:

> I share with all hon. members who have spoken a desire to see as quickly as practicable the extension of service to every Canadian in Canada who can receive it.

On page 2419 the Minister said:

> ...I am told that we cannot hope under present technological advances to reach 100 per cent of the homes of Canada.

I mentioned that before, and I want you to understand that I think all members of Parliament, who represent the remote areas such as I do, should understand that in some areas it is not possible to put television in at the present time, but there are many sparsely populated areas that have been paying for this over the years where it is humanly possible to put television in. It is a matter of dollars and cents. By the way, these same people have been paying for CBC services to Canada since it started 25 or 30 years ago.

The Minister goes on to say on page 2455:

> ...I am sincerely in accord with as rapid as possible extension of service.

I think that in her remarks the Minister documented the intent of Parliament, if it has not been documented before, and I am sure it has if you go back to *Hansard* when it was first started. However, she also said on March 9 at page 2454:

> ...it is not my place to tell the Canadian Broadcasting Corporation where they should extend service.

That is why I say it is up to you to tell the Canadian people when and how you are going to extend this service to the remote areas. The minister implies here that by law it is the responsibility of the corporation to determine priorities, however Parliament has made known its intent. I read from the recent report of the Committee on Broadcasting, and this is what they say:

> The most pressing need that which deserves priority in the plans for expansion of the Canadian radio-television system, is the extension of service to all those parts of Canada which have none.

CBC applications for licences in larger centres where there is already an alternative service, and which you have referred to this morning, have unnecessarily, in our opinion, delayed the extension of services to the more remote areas. I refer to Edmonton and you mentioned Saskatoon. There could be an argument there. In this $108 million, which I mentioned before, you can divide it down into 4½ million Canadian homes and you are asking them to pay—this year alone—$20 each for the services of the CBC. I stress again that this is required from those people in the remote areas who have not had service and there is no indication from the CBC when they are going to get it, and they are still required to pay this part of the tax.

The CBC capital expenditures on properties and accommodation in large centres have also unnecessarily delayed the servicing of areas which are entitled to be serviced. After many years of saying they did not feel justified in requesting a special grant from Parliament to complete the job of servicing the remote areas that can be served, the CBC have finally, in the last two annual reports, stated that such a grant would be very helpful. Why have they not requested this special grant or, if they have, what has been the government's attitude toward their request?

On page 123 of the Fowler Commission report under the heading "The CBC Mandate" we find these statements:

...the CBC has the primary responsibility for providing excellent broadcasting services to the Canadian people.

As a recipient of large sums of public money it can do many things that the private broadcasters cannot reasonably do. In this regard I want to say that in some of these remote areas the CBC is not covering right now that private stations have offered to service these areas if the CBC will assist in the capital cost of that service. The reason I say that is that in many of these remote areas, if private stations do service the area, there is no increase in the revenue to them. This, I think, is well known by you because there are not sufficient homes to put them into a different bracket where they can charge more for their advertising, and so on. I do not have to go into that aspect of it, but they are willing to service those homes at some expense to themselves with no additional remuneration from this service.

On several occasions I have spoken to your officials and put forward the proposition that one private broadcaster suggested which was feasible and would satisfy these people in these remote areas. On several other occasions these people have gathered funds themselves to put up satellite stations. Possibly they had to have some assistance from the CBC, which has not been forthcoming. If the interpretation of section 29 of the Act has failed to conform to the wishes of Parliament, it is clear where the responsibility rests. The latest version the mandate which the CBC has conceived and which it has received from Parliament is, in part, that whether Canadians live in remote areas or heavily populated areas the national system should serve them as adequately and equitably as possible. It was not the purpose of this vote to set the CBC up in competition with private enterprises, which in certain cases they seem to be doing, but rather to service those areas where it is not financially sound for the private stations to serve. I say these people have paid for this service and I could go into a long argument in regard to the discriminatory proposal that has been put up by the CBC in order to show how these costs should be shared. I refer to Mr. Simpson's speech on March 8, 1966 where he clearly sets this out. You state here that it is going to cost some $7 to $15—I am not sure whether you mean per head or per home—to give them this service. Even if it is per head, in four years these people will have paid for that service which they have not got. As I said, they are paying $20 this year per home and still not getting the service, and this has been in the past years gradually increasing.

Mr. OUIMET: Mr. McIntosh, just so we will not lose track of this particular point you are making, when we talk about so much per head we are talking about so much per head per year. This is the amortized cost of the capital plus the operating cost. So, if we say $7 to $15, and I do not know what area you were referring to, let us say it was $10, this is $40 per year per home.

Mr. MCINTOSH: This is a different argument altogether, because if we want to go back and argue that this is the formula which you have been using, we say it is discriminatory because when you first decided to put the service in Canada you said it was going to cost so much per head and you took the whole population of Canada. Now when you get down to these remote areas you say there are only so many people in that particular area and it is going to cost $15 where, if you take an average of all of Canada, it may have only cost $5. We say the formula that you are using is wrong. It sounds good when you make your

explanation as to why these people have not got the service, but it is hard for us to go back to those remote areas and tell them why they have not got it when they have been paying for it for 25 or 30 years and when the Minister says they will get it if it is humanly possible. In these areas I am referring to it is humanly possible. It may be a matter of dollars and cents, and this is what I want to know.

Mr. OUIMET: Mr. Chairman, I am somewhat at a loss to determine what would be the best way to handle this question, which is a fairly long one and covers a pretty complex subject, it also contains many,—

Mr. MCINTOSH: Your vote is very complex too.

Mr. OUIMET: —many sub-questions. I would like to suggest this. We are going to meet again on Thursday and I would like to save the time of the Committee and be permitted to present to you a statement giving the position of the corporation on this whole question of coverage and its cost, on policy, on the relation of CBC coverage policy to its total mandate, and also covering this formula that has just been mentioned. On the other hand, I can deal with some specifics today, if you wish, but to cover all the points that Mr. McIntosh has raised I think would require that I be given a list of them. I have noted 10 or 15 points here that I might try to deal with, but I am not sure I will be able to deal with all of them.

Mr. MCINTOSH: I am quite willing to wait for you to consider what I have said. I am not too interested in statistics or costs, as you have already given them to those who have approached you before, as to what it will cost to service these areas. I think I said previously that we do not accept the formula that you are using. We do not think it is fair to those people. What I am more concerned about is if you can give us a commitment on when these areas which can be serviced, are humanly capable of being serviced, will be serviced by the CBC.

Mr. OUIMET: How can I give you a commitment as to when any given area will be served when I am really dealing with money yet to be provided. I could do this if I was working on some long-term arrangement, but to say exactly when a certain community will be served must, in the first place, be based on an assumption as to the funds available. We have, up to this stage, developed our coverage planning on the basis of certain budget allocations which were approved by Treasury Board from year to year, and that is what we have been able to do with these amounts. We have said to the government that we can go faster and we can provide more if there are more funds provided, and this still stands. As a result of the recommendation of the Fowler Commission, and I think as outlined in the white paper, we are to prepare an over-all plan which would provide for acceleration of the coverage, but you will still have a lot of places left in the end who would feel that they too have a right to the service, and it is just impossible to cover them all. We will get from 95 per cent to possibly 96 or 97 per cent, but there will still always be the remainder. It is very difficult for us to satisfy everyone.

Mr. MCINTOSH: It would be more difficult to give a commitment as to when Canada would have colour television, but nevertheless you gave a commitment and you met that commitment. You had many more difficulties to deal with than you would have in covering these remote areas. You know how many people are

there, you know what funds you have available for it and you know how long it takes to do it.

Mr. OUIMET: Mr. McIntosh, believe me, I have every sympathy for the people who find themselves with no television service because I know how important it is to them. On the other hand, this question of colour—if we are going to use this as an argument—is exactly the same thing as could have been said in 1952 with respect to television itself. In other words, to follow this argument that no improvement must be given to the 18 or 19 million already served until the remaining 1 million or ½ million get service would have meant that in 1952 we should have stuck to radio and not had television at all, because in 1952 there were a lot of Canadians not getting radio service, and there are still a lot of Canadians not getting radio service today. In other words, I do not think it is quite reasonable to assume that we will not provide improvements of service to 95 per cent of the population of Canada—

Mr. MCINTOSH: I did not say that.

Mr. OUIMET: Well, colour is an improvement, or any other example you may use there, and this improvement of service I do not think can be withheld pending the completion of the service to the whole country. It is a matter of judgment of the relative priorities, and we have done our best to arrive at a well balanced allocation of the funds at our disposal.

If Parliament does not agree with this, then we merely have to be told. On the other hand, we have to point out the consequences. If we had not started in colour that would have meant that in the larger cities of Canada, who can receive the American stations directly, the audience gradually would have turned away from the Canadian programs, on which we spend a great deal of money each year, in favour of the American programs. Therefore, in our competitive position with the American programs much more than with Canadian stations we have to take measures which will guarantee the viability of the service we give. It is not as simple as saying, "Let us complete all the coverage until that time; let us not spend any money on any other improvements". This cannot be done.

Mr. MCINTOSH: Mr. Ouimet, I believe we are getting off on a tangent and this is what I was afraid of. We have no objection to the CBC going into television, we think it is a good thing, and this is why I asked where are the priorities laid down of the CBC? What are the priorities? The people of Canada do not know what they are, and in this vote of over $100 million these people who have been paying their share of this vote over the 25 or 30 years certainly should be given some consideration. We are not asking for coloured television, we are just asking for television alone, and I wanted to confine it to these remote areas, and that is why I did not bring in any of the other arguments about double service in certain areas. There could be a big argument made on that. These people are just asking for what I believe to be their right. They are being asked to pay for it and they are getting no service.

Mr. OUIMET: Mr. McIntosh, with the permission of the Chairman I would like to ask Mr. Gilmore to give you an idea of what is being done at the moment. You have been dealing with what remains to be done, which is a more negative

approach to the matter. Let us see what we are doing, and we are moving very rapidly.

Mr. McINTOSH: I am speaking on behalf of the areas where nothing has been done, and when is it going to be done?

Mr. J. P. GILMORE (*Vice President—Planning, CBC*): Perhaps Mr. Chairman and Mr. McIntosh, we could discuss that, and I would be very willing to discuss it. We have at the moment 31 projects on the go in radio in remote areas and we have 38 in television; and these are small stations. These do not include the large projects. We have 15 more for next year in radio and we have 10 to 12 in television, and this will add to the 140 of these small community stations in radio that we have on the air today and the 35 that we have in television. You know better than most of us how tough it is to get these small locations covered in television, and that is why at the first Committee sitting last week I tried to give the Committee a picture of what we are doing and have been doing for 18 months to develop a small self contained television station to get into just such areas with special television tape recording equipment that will make it economically feasible to get the network programs in there. We know and you know we cannot get the network in there. If there are specific areas to discuss, my staff and I are available and we would like to meet with you outside this Committee and go over the areas you are interested in, sir, to try and satisfy you. One thing that we are set up to do, and one part of our mandate that we understand very well, is this coverage aspect. We share with you the concern. We have many other things to do at the same time, but it is our pride that we are doing all of these things; developing colour, developing a Centennial programming effort that we are going to be proud of in Canada, developing an Expo coverage to advertise Canada to the world and to our broadcasters coming to Expo, and also moving ahead faster on our coverage. I would really like to know the specific areas you are referring to try and deal with them the best I can.

Mr. McINTOSH: I would like you to define what you mean by "economically possible". Is it a matter of dollars and cents?

Mr. GILMORE: Yes, in the case of a network. I referred to "economically possible" in the case of getting a network into very remote areas.

At the last Committee meeting I explained that two-self contained small television units fed by a cartridge tape recording of the helical scan type are being placed in operation next spring as an experiment to see how they weather in our Canadian north and in the interior of our provinces. Two areas, one at Yellowknife and one at Lynn Lake in Manitoba, are being tried out. I am repeating evidence I gave at the last Committee meeting, but I would like you to know that, and if this works we are going to go immediately into a major program—assuming our estimates are approved—of 30 locations to put these small stations in. I apologize, Mr. Chairman, for repeating this evidence, but this is the point to which we were speaking last week and this is the point which we are seized of.

Mr. McINTOSH: How about the areas where it is not necessary to do that, where it could be serviced by a satellite?

Mr. GILMORE: That is why I would like to talk to you about the specific areas and see what is practical.

Mr. McINTOSH: There are a number of areas which can be served by satellite and a number of private stations are prepared to do this with some financial assistance from the CBC, but you are not prepared to give them this financial assistance.

Mr. GILMORE: We have given a great deal of assistance to private stations through the means of programming, which they get absolutely free of charge.

Mr. McINTOSH: Programming is no good if they have not got a receiver set that will take that program. This is the point I am getting at. First of all, they have to have the mass and the station there to receive it. You have not given any assistance of this kind, have you?

Mr. GILMORE: No, we have not gone into sharing capital that I know of.

Mr. McINTOSH: What is the reason that you have not?

Mr. GILMORE: It has been a policy of the corporation not to share capital up to now.

Mr. OUIMET: Mr. McIntosh, the reason for this is simply that there is no end to this sort of arrangement once you start it. How do you determine which station really cannot afford to put in the rebroadcasting station for its own signals?

Mr. McINTOSH: It is very simple, I think.

Mr. OUIMET: All we know is that the minute we open this question of assistance in providing capital for private stations, that the demand for it would multiply and it would be very, very difficult to determine in what cases to grant it and not to grant it.

Mr. McINTOSH: We are only talking about 5 per cent of the people now.

Mr. OUIMET: Yes, but we still think the way we are doing it in proceeding gradually, and we think rapidly in relation to the problem we have to solve is the best way, by providing CBC repeaters, CBC satellites, CBC stations and eventually some of these problems will become much easier to solve in the really remote areas by the time we replace microwaves with satellite transmission, which is about four or five years from now. I understand fully, looking at it from the point of view of the poeple not getting the service, that anything in the way of an explanation, even a reasonable one, will not satisfy those who are not served. We are doing our very best to speed up the provision of that service.

Mr. McINTOSH: I am quite prepared to wait until the next meeting, Mr. Ouimet.

Mr. PRITTIE: I would like to ask Mr. McIntosh a question relevant to this before we leave it, and I ask in all seriousness. Would he be prepared to vote any special grant so that this 100 per cent coverage of Canada could be speeded up and done very quickly?

Mr. McINTOSH: I think so, yes.

Mr. PRITTIE: I would like to challenge one other point. He said that the CBC has no mandate to compete with private stations. I do not know where he gets

that statement from at all. He said something like it was not their function to go in where private stations are existing.

Mr. COWAN: Mr. Chairman, Mr. McIntosh said it and I agree with him.

Mr. PRITTIE: You may agree, but I disagree and I am asking the basis for the statement.

Mr. COWAN: I am verifying he said it.

Mr. PRITTIE: Thank you.

Mr. MCINTOSH: Let me answer that question. My idea of the CBC was to provide service in Canada where private stations could not provide it. This is paid for by public funds. Now, if a private station can provide service I would not be making the statements I have been making here today, because to give this service a private station must be able to make ends meet or make a profit. In these areas I am referring to the private stations have looked them over and it is impossible. Because of the scale of remuneration for advertising that they can charge in those areas they cannot make it pay. In some instances they have delved into this and the people there are quite prepared to take up subscriptions from the area and help off-set any loss that they have, but the CBC will not sanction this either. I think the CBC, being a public corporation or whatever you call it, is duty bound to service Canada where it possibly can, even if they do it at a loss.

Mr. OUIMET: We are in full agreement with what you are saying about the duty of the CBC. Our problem is in the degree to which we have succeeded in doing it. You would like to see 100 per cent coverage, and we are saying 95 per cent is pretty good considering everything, and we will go further than 95 per cent. Therefore, this is the area of disagreement. You said something that I cannot allow to stand on the record without amplification on my part. That is, that you thought the role of the CBC was to provide service where private stations could not do it. Of course, this is not the role of the CBC, the role of the CBC is to provide a national service, which is not the same thing as the service given by the private stations.

Mr. MCINTOSH: It is one of the services then?

Mr. OUIMET: Yes.

The VICE-CHAIRMAN: Mr. Mather, you are next.

Mr. MATHER: Mr. Chairman, Mr. McIntosh has moved that the grant to the CBC be reduced to $1, and I want to say if we get the opportunity I would like to oppose and vote against such a motion. Like everyone else, I guess I have my criticisms of the CBC, but by and large I think it has done a remarkably good job and I believe it is continuing to do so. When you consider the cost of the CBC to the Canadian public, it is less than 1 cent per day per capita. I think that the service it does provide is remarkable. On that point it might be interesting to assess the cost to the Canadian public of the private stations which are paid for, of course, out of that part of the consumer dollar which goes for advertising. I have heard statements made, and I do not know if this is correct or not, but I have heard it said that the cost on that basis to the Canadian public is larger than the cost of the public station. However, I do agree with Mr. McIntosh in one

aspect of his remarks. I was one of the 21 members of Parliament who went to the Canadian Arctic, the Northwest Territories and the Yukon last summer, and I was very impressed on meeting the people in these outlying areas to find out how important this basic service of radio broadcasting was to them. Those people up there to look upon us down here as southern Canadians. I come from the area of Vancouver and I found out that they call that area the deep southwest. They look rather askance at us now that we are entering into the luxury of colour television, whereas in the very little places where they are so dependent on a basic radio service they feel they should get more of that basic service.

I know something of the difficulties involved in providing all these people with all they want, but I would urge that the corporation give serious thought to stepping up the service to our Canadian north. It was said in Frobisher Bay, for example, that the older Eskimo and Indian people would benefit if they were all given little transistor sets and they could have adult education through that medium to a greater degree than they presently get it. It seemed to us that this was a far out idea, but when you consider the relatively few people involved it might be a worth-while matter to consider. At any rate, Mr. Chairman, this is my question. In line with the hope I have that the CBC will step up its northern service, I wonder if Mr. Ouimet could say something in line with the plans in that area?

Mr. OUIMET: We have very definite plans to step up the extension of service to the north as well as to other remote areas of Canada. Mr. Gilmore outlined at the last meeting of the Committee, and he briefly referred to it today, that we are developing what we call the "frontier passage", which is really a self-contained tape-fed transmitter, which would provide these areas with reasonably economical service without the need for a network connection. If our experiments in—

Mr. GILMORE: Lynn Lake in Northern Manitoba and Yellowknife in the Northwest Territories.

Mr. OUIMET: —these areas are successful, and we should know in the spring, then, of course, we will go ahead with quite a number of these stations, particularly in the far north.

Mr. MATHER: Thank you.

(*Translation*)

Mr. CLERMONT: Mr. Chairman, is it not the rule of our sittings that if somebody's name is listed and he cannot put his questions, because of lack of time, his name is called at the next meeting? As it happened last week, I gave my name, and then I left the Committee at five to eleven to get my papers to come back here for the Finance Committee. I wanted to draw your attention to that matter.

The VICE-CHAIRMAN: I think the gentleman will yield momentarily, Mr. Clermont?

Mr. CLERMONT: The CBC answers to Parliament and not to the Government. Last week, in your remarks you stated that according to you this was a good thing. When your Corporation prepares its estimates, this means that these estimates are prepared under the auspices of the Corporation.

Mr. OUIMET: Yes.

Mr. CLERMONT: Are they then put to Treasury Board?

Mr. OUIMET: Yes, since 1958, that is the procedure applicable to the CBC.

Mr. CLERMONT: And your operations are checked by the Auditor General?

Mr. OUIMET: Yes.

Mr. CLERMONT: Your estimates for 1966/67 come to $137,990,000. Could you, have percentage figures or absolute figures in respect of salaries to your staff, salaries to the directors, programming and administration, and any new services?

Mr. OUIMET: I am sure we have them. I am not sure we can provide them to you immediately, however, but we would be able to give them to you later.

Mr. CLERMONT: To provide service to the entire people of Canada. In my constituency there are certain parts which are not serviced by the CBC, but the argument of Mr. McIntosh could be extended to roads also. Our taxpayers pay taxes for roads and yet they still have gravel roads, in 1966. The same argument could be made as far as railways are concerned, and as far as hospitals are concerned etc. I believe TV and radio service is a very important service indeed, but we have people still who have to be taken to hospital 30 or 40 miles away in cases of emergency. I share the views of the honourable gentleman who spoke after Mr. McIntosh. I believe it is not up to the CBC to provide services only in those areas where there is no competition from private broadcasting. After all we cannot let private broadcasting operate fully only in those places where they can get considerable income out of it. If the CBC were to withdraw from centres like Toronto, Montreal, Vancouver or Winnipeg then Parliament would be called upon to approve not $137 million, but a good deal more than that.

(*English*)

Mr. MCINTOSH: I would like to interject here; I do not think I said that.

(*Translation*)

Mr. CLERMONT: I believe that every member is free to entertain his own opinions. I know that some people always object to any criticism of the CBC. There is one member here who goes to the opposite extreme especially when we are speaking of the French-speaking station in Toronto. He finds it quite normal that there be an English-speaking station in Quebec but he objects to the French-speaking station in Toronto. He objects to all kinds of things.

The VICE-CHAIRMAN: May I suggest that if there are any differences of opinion between yourself and your friend that you settle them among yourselves and let us go on with the business of the Committee.

(*English*)

Mr. COWAN: If he makes references to me I will reply.

(*Translation*)

Mr. CLERMONT: That is your opinion, sir.

On May 31st, 1966, when certain members of this Committee went to Montreal to meet with the Expo directors, I, for one, asked some of these

gentlemen if they were satisfied with the advertising carried on the CBC with regard to Expo '67. It was perhaps a little difficult for these directors to claim that it was entirely satisfactory, however, they answered that they felt that the CBC could carry more advertising in respect to Expo not only in Montreal and Toronto but in other Canadian centres. Apparently there will be a deficit with regard to Expo, and such deficit will have been paid in a large part by the Federal authorities. We were told last May that the CBC intended increasing its advertising for Expo during the fall, winter and next spring.

Mr. OUIMET: Yes, that is the CBC's intention. Indeed that has been done as of the 31st of May last, we have carried more advertising publicity since then. However, I think we should remind ourselves that there should be a certain rational distribution of advertising according to the tastes of the people. I think we would have hurt Expo very much if we had over-exposed too early. In a matter as important as this, we should not rush into a tremendous promotional campaign which would give rise to a great deal of interest among the public at too early a stage. In other words, I think we should proceed gradually. It has been a great deal easier to carry out advertising for Expo in the Montreal and Ottawa area, than to do so shall we say, in Vancouver or Halifax, because public interest in those places is not the same. However, little by little I believe we have been able to arouse public interest in Expo. We have had special Expo programs, and we will carry others.

Mr. CLERMONT: You have been asking an increase of Parliament for 1966/67. This is an increase of 14¼ million of your total estimates. What percentage of this increase will go into salaries or new services?

Mr. OUIMET: Mr. Clermont, I think I would call on Mr. Davies to provide you with that answer. We can divide that increase in two parts, (a) the maintenance of our present service and (b) the amounts necessary to improve such service.

(*English*)

Mr. V. F. DAVIES (*Vice-President, Finance, CBC*): Mr. Chairman, I think this is a rather difficult question to answer in respect to the new service aspect, because in the estimates that are under discussion the new services in respect to the improvements in programming have not been entered. Primarily the amounts that are included in the estimates are those in respect of maintaining the service and perhaps I could give the major divisions, which might be of interest.

In maintaining the service there is some 6.3 per cent of the amount and the others relate to the introduction of colour, which could be called a new service in some respects, and is some 1.7 per cent. Then there is an amount of 4½ per cent of the increase over the previous year relating to northern radio service, the Emergency Measures Organization, Expo and Centennial. The remainder of the amount of the increase relates to operating costs in respect of improvements to coverage and also the interest on loans and repayments of principal. This amounts to some 1.7 per cent of the increase.

(*Translation*)

The VICE-CHAIRMAN: Mr. Clermont, do you find that answer satisfactory? Have you concluded?

Mr. CLERMONT: Yes.

(*English*)

Mr. MACDONALD (*Prince*): Mr. Ouimet, I wonder if you could give us an idea of what is regarded by the CBC on its television broadcasting as prime viewing time?

Mr. OUIMET: This is a matter of definition which is common within the broadcasting medium. Prime viewing time can be considered either as 8 to 10 in the evening, which is really the very peak, or from 7 to 11, and you could even include 6 to midnight. The real peak is around 9 p.m., the curve of the audience builds up gradually to that peak and then starts to fall off gradually around 10 p.m.

Mr. COWAN: Mr. Chairman, I do not question your description of prime viewing time to Mr. MacDonald, I have been in the advertising business for 40 years, but could you tell the Committee if there are certain days in the week that are better than others?

Mr. OUIMET: Sunday is the best day of the week.

Mr. COWAN: How much better than the other days?

Mr. OUIMET: I do not have the exact figures on this, but if my memory serves me correctly, it is something of the order of 15 or 20 per cent better.

Mr. MACDONALD (*Prince*): Am I right in assuming that for most timing of production, in terms of your day-to-day activities, and Monday through Friday particularly, that 7.30 to 10 would roughly be the time zone that you regard as prime time for the placement of programs?

Mr. OUIMET: Yes, 7.30 to 10, and going into 10.30, but 7.30 to 10 is close enough.

Mr. MACDONALD (*Prince*): Now, during the—

Mr. GILMORE: Excuse me sir. If you are going to extend it to 7.30, then I think you must extend it another half hour later to 10.30.

Mr. MACDONALD (*Prince*): What percentage of the programming in that time zone Monday through Friday would be Canadian content?

Mr. OUIMET: I do not have the figures for 7.30 to 10.30, but I have the figures for 8 to 10 and that would be about 50 per cent Canadian. If we take a broader period from 7 to midnight, then it would be something of the order of 63 per cent.

Mr. MACDONALD (*Prince*): From 8 to 10, at least, it is about 50 per cent?

Mr. OUIMET: And this is one of the very serious problems that is giving a great deal of concern to the corporation. The reason why we have so much which is not Canadian content at that time is related to the commercial targets that we have to meet. The only way to achieve the $30 million plus of gross commercial revenues that we must get is to have a large number of programs which will bring in a profit. The American programs bring in this profit for the good reason that we can get them at a very low cost, about 7 to 8 per cent of their original cost since they have been paid for in the United States, and that means we can

recover our total expenditures on the program itself and in addition make revenue by the sale of time on our station and the private stations.

Mr. MACDONALD (*Prince*): You say 7 to 8 per cent of the original American cost, which I realize would not be much, but what would it be in comparison to an equivalent program? I know it is hard to assess these things because you really cannot put two programs side by side and say they are equivalent, but what would 7 and 8 per cent be as a figure?

Mr. OUIMET: If we take a one hour program, we can get the best American ones for less than $10,000, probably around $8,000. On the other hand, this represents an original cost of the order of $100,000 to $125,000. A Canadian program which we could place at the same time of sufficient polish and attractiveness would probably cost $30,000 or $40,000. Therefore you have to compare the $8,000 with the $30,000 or the $40,000.

Mr. MACDONALD (*Prince*): The sheet which you submitted this morning shows very interestingly, I think, that there has been a steady decline in the relationship of the commercial dollar to the dollar injected by the government. I suppose it will now be something on the order of less than 20 per cent, whereas originally it was a 50 per cent figure. Therefore, there has been a steady decline in the ratio of the amount of money the government spends toward the CBC and the amount of money you are able to recoup from advertising?

Mr. OUIMET: In the very early days—we are referring here to the condition in 1946-47 for radio—when we were operating the only radio network, without the competition of TV, it was easier at that time even with an importation of only some 15 per cent of American programs.

Mr. MACDONALD (*Prince*): Yes, but look at 1958-59 as compared to 1966-67. There was $32 million in 1958-59 in commercial revenue and $35 million in 1966-67. This is an increase of only $3 million, whereas the public funds have increased more than double from $51 million to $110 million.

Mr. OUIMET: This was at the time when the CBC still had a monopoly on TV and we could pretty well establish our own conditions for sponsorship because there was no competition. At that time we could achieve this relatively high revenue and still maintain a proportion of Canadian content because we could demand of the sponsors, if they wanted to sponsor an American program which they usually had free or for very little money from their parent company in the United States, that they also take one or two Canadian programs. This is getting more and more difficult to do now because of the competition.

Mr. MACDONALD (*Prince*): In that same time slot between 8 to 10 where you say that 50 per cent of the programming is Canadian in content, what percentage would be public affairs programming?

Mr. OUIMET: I do not have the figure at the moment. All I know is that over the whole period of time—over a whole week, not just the prime time—our public affairs programming is something of the order of 15 per cent.

Mr. MACDONALD (*Prince*): I am more interested in this 8 to 10 time slot.

Mr. OUIMET: In the 8 to 10 time slot there is very little.

Mr. MACDONALD (*Prince*): Is there any, Monday to Friday?

Mr. OUIMET: We would have to get the exact figure, but most of it is at 10 or 10.30.

Mr. MACDONALD (*Prince*): This is a particularly disturbing thing to me because I have been trying to determine just what is prime time. I feel that one of the most important things the CBC is doing, and should be doing, is public affairs programming. Even living in central Canada, as we are at the moment, and viewing these programs, they are not on in a prime time slot, and if you move out from the centre, and live in eastern Canada as I do, these programs are on at the abominable hour of between 11 and 12, or even later.

Mr. OUIMET: This is one of the reasons why we would like to have some relief from the present commercial exigencies placed on the corporation. It is really tying our hands in terms of scheduling our programming at the best possible time. It introduces a factor of rigidity in our schedules that we can do very little about. This was covered in our annual report at some length, and also in our recommendations to Mr. Fowler, and we have been saying this now for quite some time.

The VICE-CHAIRMAN: I am sorry to interrupt, gentlemen, but we must now adjourn. We will have another meeting at 9.30 on Thursday morning. At this time Mr. MacDonald will continue his questioning, followed by Mr. McCleave, if this is agreeable to the Committee.

(*Translation*)

The VICE-CHAIRMAN: I thank Mr. Ouimet, and we will resume on Thursday morning.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 29

THURSDAY, DECEMBER 1, 1966
MONDAY, DECEMBER 5, 1966 (MONTREAL)
TUESDAY, DECEMBER 6, 1966 (MONTREAL)
(No evidence recorded in Montreal)

WHITE PAPER ON BROADCASTING (1966)

WITNESS:

Mr. J. A. Ouimet, President, *Canadian Broadcasting Corporation.*

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25259—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),
Mr. Basford,
Mr. Béchard,
Mr. Brand,
Mr. Cowan,
Mr. Fairweather,
[1]Mr. Jamieson,
Mr. Johnston,
[3]Mr. Laflamme,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
Mr. Mather,
[2]Mr. Macquarrie,
Mr. McCleave,
Mr. Munro,
Mr. Nugent,
Mr. Pelletier,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Simard,
Mr. Stafford—(25).

M. Slack,

Clerk of the Committee.

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[1]Replaced Mr. Clermont on Wednesday, November 23, 1966.
[2]Replaced Mr. McIntosh on Tuesday, November 29, 1966.
[3]Replaced Mr. Hymmen on Wednesday, November 30, 1966.

ORDERS OF REFERENCE

WEDNESDAY, November 23, 1966.

Ordered,—That the name of Mr. Jamieson be substituted for that of Mr. Clermont on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Ordered,—That the White Paper on Broadcasting (1966) tabled on July fourth last be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

TUESDAY, November 29, 1966.

Ordered,—That the name of Mr. Macquarrie be substituted for that of Mr. McIntosh on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

WEDNESDAY, November 30, 1966.

Ordered,—That the name of Mr. Laflamme be substituted for that of Mr. Hymmen on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

25259—1½

MINUTES OF PROCEEDINGS

THURSDAY, December 1, 1966
(47)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Berger, Cowan, Fairweather, Jamieson, Johnston, Laflamme, MacDonald (*Prince*), Munro, Prittie, Richard, Simard, Stafford, Stanbury—(14).

Members also present: Messrs. Andras, Fulton and Régimbal.

In attendance: From the Canadian Broadcasting Corporation: Messrs. J. A. Ouimet, President; J. F. Gilmore, Vice-President, Planning; and Ron Fraser, Vice-President, Assistant to the President.

On motion of Mr. MacDonald (*Prince*), seconded by Mr. Prittie,

Resolved,—That the Committee print 1500 copies in English and 750 copies in French of its Minutes of Proceedings and Evidence relating to the White Paper on Broadcasting (1966).

The Chairman read a letter, dated November 30, 1966, which he received from the Ottawa Editor of CBC News, Donald H. Attfield, requesting permission to record the committee proceedings on audio tape and also to record the proceedings on film for television.

The Chairman made a statement on this subject and referred to a related ruling of the Committee of April 22, 1966.

On motion of Mr. MacDonald, (*Prince*), seconded by Mr. Prittie, the Committee agreed that the request from the Ottawa Editor of CBC News be referred to the steering subcommittee for further study.

Mr. Stanbury referred to those Estimates previously approved by the Committee and to the balance which were recalled by the House on November 22, 1966, namely: CBC, BBG and the National Film Board.

The Committee proceeded to the consideration of the White Paper on Broadcasting (1966).

Mr. Ouimet made a statement from a document, entitled "The White Paper on Broadcasting, 1966—Comments by the Canadian Broadcasting Corporation", outlining the major comments and recommendations by the CBC; Mr. Ouimet then tabled the document, copies of which were distributed to the members of the Committee.

Mr. Ouimet was examined, and made a statement related to last Sunday's CBC program, "Sunday".

The examination of Mr. Ouimet still continuing, at 11.05 a.m., the Committee adjourned to the call of the Chair.

MONDAY, December 5, 1966.

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at the Ottawa Station at 7.40 a.m. and left by train for Montreal; upon arrival the Committee travelled by bus to the National Film Board.

Members present: Messrs. Béchard, Berger, Fairweather, Hymmen, Johnston, MacDonald (*Prince*), Nugent, Pelletier, Prittie, Prud'homme, Richard, Stanbury—(12).

In attendance: From the National Film Board: Messrs. Grant McLean, Acting Government Film Commissioner; Roland Ladouceur, Assistant Government Film Commissioner; Gerald Graham, Director of Technical Operations; Ed. Coristine, Director of Administration; Michael Spencer, Director of Planning; J. W. Cosman, Director of Distribution; Marcel Martin, Director of Production (F); Julian Biggs, Director of Production (E); Jean-Paul Vanasse, Secretary to the Board; Peter Rainboth, Director of Personnel; Tom Johnston, Information Officer.

Also present: Dr. P. M. Ollivier, Q.C., Parliamentary Counsel and Mr. Antonio Plouffe, Chief, Committees and Private Legislation Branch, House of Commons.

Mr. Grant McLean welcomed the members to the National Film Board and then made a statement relating to production operations of the Board. Mr. Roland Ladouceur made a statement relating to distribution operations.

Mr. Stanbury thanked Messrs. McLean and Ladouceur for their statements and then introduced the members of the Committee to the officials of the Film Board.

Mr. McLean was examined on the operations of the Film Board, assisted by Messrs. Ladouceur, Cosman, Biggs, Coristine, Martin and Graham.

Two National Film Board productions were shown to members of the Committee, namely, "High Steel" and "Au Hazard Du Temps".

The Committee then toured the National Film Board production facilities, including animation, sound division, editing and laboratory, and viewed new developments in educational film techniques, overhead projectuals, loop projectors and filmstrips.

Following further informal discussions with Film Board officials, the Chairman thanked them and their staff for their contribution to Canadian filmmaking, and also thanked them for this instructive visit.

At 5.00 p.m. the Committee members dispersed.

TUESDAY, December 6, 1966.

The Standing Committee on Broadcasting, Films and Assistance to the Arts proceeded by bus at 9.00 a.m. to the CBC workshops.

Members present: Messrs. Asselin (*Charlevoix*), Béchard, Berger, Cowan, Fairweather, Hymmen, Johnston, MacDonald (*Prince*), Nugent, Pelletier, Prittie, Prud'homme, Richard, Stafford, Stanbury—(15).

Also present: Dr. P. M. Ollivier, Q.C., Parliamentary Counsel and Mr. Antonio Plouffe, Chief, Committees and Private Legislation Branch, House of Commons.

The Committee toured the CBC workshops and viewed the set designs in construction stage.

The Committee then travelled by bus to Expo 67, and were conducted on a guided tour. Many areas of interest were drawn to the attention of the Committee, including the pavilions of the participating countries.

The Committee wound up its visit to Expo 67 by touring the International Broadcasting Centre, built by the CBC, to allow broadcasters from all participating nations to prepare radio and television programs covering the events scheduled to take place during Expo 67.

The Committee heard statements from the President of the CBC and his senior officials, as follows:

Mr. Marcel Ouimet, Vice-President and General Manager, Network Broadcasting, French;

Mr. Charles Delafield, Director of International Service;

Mr. Andrew G. Cowan, Director of Northern and Armed Forces Services;

Mr. Robert Graham, Director, International Broadcasting Centre;

Mr. Yves Vien, Associate Director, International Broadcasting Centre.

At lunch at the "Vieux Fort" on St. Helene's Island, the members were officially received by the Pro-Mayor of Montreal, Mr. Roland Labelle.

The Committee proceeded by bus to the Radio-Canada building, where the members toured various studios, saw test rehearsals and a radio broadcast. The Committee visited the radio master control and recording room, the videotape recording area, TV master control and telecine room and other production facilities.

The Committee then inspected the model of Place Radio-Canada and Mr. Alphonse Ouimet, assisted by Mr. Gilmore, commented on this major consolidation project of CBC facilities in the Montreal area. The Chief Engineer, Roy Cahoon explained the planning involved in this project and the facilities which the new Place Radio-Canada will provide. Messrs. Gilmore and Cahoon were questioned on matters relating to this new project.

The Committee were the guests of the CBC at dinner, following which Mr. Stanbury thanked the officials of the CBC for a pleasant and educational visit. Mr. Alphonse Ouimet thanked the Committee for visiting Montreal to tour the CBC facilities, and extended an invitation to visit the Toronto studios.

The Committee left Montreal by train at 8.45 p.m., arriving in Ottawa at 11.15 p.m.

M. Slack,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, December 1, 1966.

The CHAIRMAN: This meeting of the Standing Committee on broadcasting, films and the arts is called to order. The Committee should consider the printing of minutes of this series of meetings dealing with the Canadian Broadcasting Corporation estimates; 1,000 copies in English and 500 copies in French of the proceedings and evidence were ordered for those relating to the White Paper on broadcasting. It is suggested that a similar number would be adequate, namely, 1,000 copies in English and 500 copies in French. Is there a motion on this subject?

Mr. MACDONALD (*Prince*): What number again, Mr. Chairman?

The CHAIRMAN: One thousand copies in English and 500 copies in French.

Mr. MACDONALD (*Prince*): I was just wondering how many were printed during the "Seven Days" thing?

The CHAIRMAN: I am advised it was 2,000 in English and 1,000 in French and that there are many extra copies for those who would like to have them.

Mr. MACDONALD (*Prince*): I would just like to say this, Mr. Chairman. I know that there were some copies left over as far as the "Seven Days" thing was concerned, and it is quite likely we will not discuss the White Paper as such this morning.

The CHAIRMAN: Maybe we will.

Mr. MACDONALD (*Prince*): Maybe we will, but the thing that I would like to say is that since this discussion on the White Paper, I consider to be of prime importance in the restructure, if you want to call it that, of the Canadian Broadcasting Corporation and the public broadcasting generally, it might be important to have a number of copies available for general circulation. Since the whole question of what the White Paper proposes, what people who are involved in broadcasting propose is of importance, we should have a general public discussion rather than just in this committee.

The CHAIRMAN: I think the proper thing to have before us at the moment is a motion, if you would like to make any kind of motion on this subject.

Mr. MACDONALD (*Prince*): I will move a compromise motion that we have 1,500 in English and 750 in French.

Mr. PRITTIE: I second the motion.

The CHAIRMAN: Any discussion? Is that agreed?

Motion agreed to.

I received this morning a communication from the Ottawa Editor of the Canadian Broadcasting Corporation *News* as follows:

> The news service of the Canadian Broadcasting Corporation makes the following requests:
>
> 1. that it be permitted to record on audio tape the proceedings of your Committee,
> 2. that it be permitted to record on film for television the Committee's proceedings.
>
> We would hope to institute coverage of these proceedings with the said audio tape and motion picture film starting with the meeting of the morning of December 1.
>
> We would further request permission that the recording on the audio tape be done through the electronic recording equiment already installed by the Committee's branch. The feasibility of this has already been established.
>
> To record the proceedings on film, it would be necessary to permit the presence of a cameraman in the meeting room, with his camera either hand-held or supported on a tripod. No special lighting would be required. The installation of one microphone at the position from which witnesses speak would be necessary.
>
> (signed by)
> Donald H. Attfield

I am advised that any use of the electronic equipment in this room would have to be approved by the Speaker the House of Commons. The Committee will be aware that on April 22 last, a motion in these terms was defeated, and I quote:

> That this Committee request leave of the House for permission for coverage of its hearings by sound film cameras on the clear understanding that the cameras are merely present and are not moved about, and that radio equipment be permitted to record off the sound system.

There seems to be no reason why that decision could not be revoked and another decision made by the Committee today. However, there does not seem to be any way in which the request of Canadian Broadcasting Corporation *News* could be granted this morning, in that, apparently, permission must be obtained at least from the Speaker and perhaps from the house. This would be a precedent which I do not think would be a bad one, but, nevertheless, apparently it would be a precedent and there is some uncertainty as to what permission is required. It is clear that permission must be obtained from the Speaker for the use of the electronic recording equipment which is installed in this room.

Mr. MACDONALD (*Prince*): Mr. Chairman, may I suggest that this whole matter, since it does involve permission from the Speaker, be deferred to the executive committee for further study and then recommendation to the Committee?

The CHAIRMAN: To the steering committee.

Mr. MACDONALD (*Prince*): Steering committee and then recommendations to the Committee?

The CHAIRMAN: Is that agreed?

Agreed.

Now, when this Committee met last in my absence, I believe it was discussing the estimates of the Canadian Broadcasting Corporation. Since then, the estimates were withdrawn from the Committee and returned to the house. Although we had not completed the studies of the estimates of the Canadian Broadcasting Corporation and the National Film Board or the Board of Broadcast Governors, the Committee had approved the estimates of the Centennial Commission, the Civil Service Commission, the National Arts Centre, the National Gallery of Canada, National Library, National Museum, Public Archives, Public Printing and Stationery, and had reviewed the statutory items respecting the Canada Council and heard witnesses thereon.

Then, on November 23, the White Paper on broadcasting was referred by the house to this committee. The business before this Committee today, therefore, is the consideration of the white paper on broadcasting. The witness that we have with us is the president of the Canadian Broadcasting Corporation, Mr. J. Alphonse Ouimet, and I am going to ask Mr. Ouimet to make a statement to the Committee on his corporation's view with respect to the White Paper on broadcasting. Mr. Ouimet.

Mr. J. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman, the White Paper is probably the most important document that the corporation has ever had to study, and our board of directors has given very careful consideration to it, and is grateful to the Committee for this opportunity to present and discuss its view with respect to it. The corporation's comments and recommendations have already been forwarded to the Secretary of State, some time ago, and I believe it would be helpful to the Committee if I were allowed to read the very first section of our memorandum which concisely summarizes the position of the corporation. I have copies in English and in French of the full text of the corporation's comments which I would like to file with the secretary for distribution to members of the Committee. It does not need to be done now. I would like to read just the first section which is a summary of our comments.

The White Paper on Broadcasting, Major Comments and Recommendations by the Canadian Broadcasting Corporation.

1. The Board of Directors of the CBC are in full accord with the White Paper in its statement of the principles governing broadcasting and of the need to strengthen the programming, planning and administration of Canadian broadcasting.

2. Our views on how best to strengthen broadcasting are herewith presented in a document of major comments and recommendations and an appendix which reviews the White Paper section by section.

The Broadcasting Structure

3. Canadian broadcasting has structural problems, largely due to the growth of its components. While the one-system concept of broadcasting, originated in the 1930's by the Aird Commission, has served Canada well, changes are necessary to meet changing needs and because of the size and complexities of today's

structure. Growth has brought about two separate and highly self-sufficient operating systems—a public system and a private system.

I would like to add here my own comments to this. What we are saying here is that the single system concept, which was an objective in the early days, has now been replaced in practice by two systems.

4. The CBC now owns radio and television stations from coast to coast. Self-coverage is over 70 per cent achieved and growing steadily toward completion. Privately-owned stations, including a television network, cover the country in their hundreds. The intermeshing and interpendence of the public and private sectors, on which the one-system concept was based, is low and steadily diminishing. Each sector is either at or near self-sufficiency in programming and in program distribution. Co-ordination of their respective program operations is virtually impossible. In radio the programming services of the CBC and its private station affiliates have reached the stage of major incompatibility because of differing concepts and needs. A similar development in television is inevitable.

5. We, therefore, recommend recognition, acceptance and strengthening of the two-system concept within the total structure as the new foundation for the country's broadcasting policy. We do so in the conviction that the one system concept has been outgrown and cannot be effectively regained.

6. In recommending a two-system structure the directors are very much aware of experience in Australia and Britain, where both publicly and privately owned systems also play important roles. These countries decided to keep the two sectors separate as the most efficient alternative the inordinate complexities inherent in fusion of the public and private elements.

7. In Britain, following study of other structures including Canada's, private television broadcasting was established under a public board. This body is entirely apart from the BBC which has its own publicly-appointed board.

8. Australia has also separate public boards: (1) the Australian Broadcasting Control Board, charged with responsibility for the general administration of the total structure and for the broad performance of the private sector. (2) The Australian Broadcasting Commission, ABC., which has full responsibility and authority for ABC programming policies and operations.

Each board reports separately to parliament on its respective responsibilities.

9. Canadian broadcasting is entering a new era in which major changes are inevitable. Planning of the physical structure has become urgent and vital to continued development. The administration of this structure has become a major and demanding task. A gestating educational television must be absorbed in the structure. The potential broadcasting role of space satellites is a challenge to the imagination. Stations are to have individual conditions of licence. Community antenna television (CATV) is to be made part of the broadcasting structure. Separating the operations of the public and private sectors will continue to demand the greatest care and objectivity, in total, an immense planning and administrative requirement.

10. Meanwhile Canada's need for vital programming has increased. The White Paper envisages intensified demands on the nation's programmers for

more and better ways to, and I quote the White Paper, "preserve and strengthen the political, social and economic fabric of Canada... the most important objective of public policy." The mandate of CBC., as operator of the national program service, is of such importance that, for the first time, it is to be made part of broadcasting legislation. The programming and operations of CBC-Radio Canada are extensive and specialized, embracing English and French services in A.M. and F.M. radio, in television, and including the multi-lingual international service; in total, a vast CBC programming requirement.

11. Clearly, then, there are two related but separate tasks of great magnitude to be carried out: (1) the overall planning and administration of a complex, growing and rapidly changing broadcasting structure, and (2) the programming and operations of CBC-Radio Canada in providing the national broadcasting service.

12. It is the considered view of the directors of the corporation that responsibility for the national braodcasting service cannot be successfully divided between two public boards. CBC program policies and operations are indivisible. To divide responsibility for them is to divide the corporation, to weaken CBC, and to weaken CBC is to weaken the services it provides.

If the directors are to be responsible for the corporation's operations they must have the authority to establish and develop the program policies from which performance flows. Without this authority the role of the CBC board is radically altered. Full programming and operational responsibility for CBC should rest with its own board.

It is our view that the planning and administrative requirement proposed for BBG in Section II of the White Paper is extensive, demanding and vital to the achievement of the best in broadcasting. This requirement could only be diluted and weakened if a further major requirement, policy direction of the public sector, were added.

14. The planning and administration of broadcasting's physical structure, on the one hand, and the programming and operation of CBC-Radio Canada on the other, are undertakings of such importance and magnitude as to require direction by two separate boards.

15. We, therefore, recommend:

(a) that the board of broadcast governors be given full authority and responsibility for (i) the planning and administration of Canadian broadcasting's physical structure; (ii) general broadcasting regulations; (iii) broad performance of the private sector.

(b) that the board of directors of CBC be given full authority and responsibility for the policies, programs and operations of the national broadcasting service.

(c) that BBG and CBC should each answer directly to parliament through a designated minister for their respective responsibilities.

16. We agree with the designation of BBG as the licensing authority for all stations, including those of the corporation. We urge, however, that the proposal to issue individual conditions of licence for each CBC-owned station be dropped. We feel this requirement is redundant since the goals of CBC are to be part of the new legislation. This mandate will, in practice, comprise the conditions of

licence for all CBC stations, which operate under a common policy direction and control. Separate conditions of licence for each CBC station would create added complexity and could conceivably be inconsistent with the requirements of the mandate. Private stations, on the other hand, operate without legislative mandate as individually controlled units with varying responsibilities; hence the need for individual conditions of licence.

17. In the light of the foregoing we fully support the proposal that

> The board of directors of the corporation shall comprise a president and a sufficient number of other directors to provide adequate representation, all to be appointed by the Governor in Council. The president, who will be the chairman of the board, will be appointed for a term of seven years, the other directors for five years, with suitable provision for the overlapping of initial terms. Subject to the approval of the Governor in Council, the Board of Directors will appoint a chief executive officer, who will be responsible to the board for all the operations of the corporation.

18. The CBC cannot achieve the program goals envisaged in the White Paper, nor can it maintain present program services, if the proposed commercial formula for CBC is implemented.

The dollar volume called for is completely incompatible with primary program objectives. The formula ties CBC, not to its own program needs or commercial targets, but to the total sales achievements of the private sector. It requires CBC to achieve commercial revenues totalling 25 per cent of all television advertising expenditures in Canada and 4 per cent of all radio advertising expenditures.

It is our view that commercial requirements must be allowed neither to hinder nor prohibit achievement of the corporation's program goals. These requirements are already such that they are virtually dictating the make-up of the corporation's television service in prime time. We believe that the CBC program mandate can only be achieved with lesser commercial requirement than at present and a corresponding increase in public funds.

19. Additional economic studies by the corporation and others have been completed since publication of the White Paper. We, therefore, recommend that the proposed commercial requirement be re-examined by the government in the light of these studies and in co-operation with the corporation with a view to reducing it.

20. The program aspects of this matter are of the utmost concern to the corporation, for programming must always be its primary concern. Though private station programs of entertainment and community service have gained private stations an essential place in the broadcasting structure, though CBC programs continue to win international awards in open competition, there is no room for complacency. If the breadth, choice and quality of the total program service available to Canadians is to remain high in comparison with that of other countries, excessive commercial requirements must not be allowed to dictate the program policies or practices of the corporation.

21. The directors welcome the White Paper principles which promise improved distribution for the national program services. Five million Canadians still receive only partial CBC service; one million receive none.

We, therefore, recommend three steps:

(a) Creation of a joint planning committee under the aegis of BBG to assist in the reservation of channels and frequencies for the use of all broadcasters in accordance with national policy. The committee would include representation from DOT, private broadcasting and CBC.

(b) An accelerated CBC coverage program for (i) areas having no service; (ii) also for areas which are bilingual having service in only one language.

(c) Designation of CBC as the next licensee, in due course, in areas served only by private stations and in accordance with the principle that the public is served most effectively when alternative service is provided through a combination of CBC and private stations.

With respect to the operation of educational broadcasting, our present view ask that CBC be given, to quote from the White Paper, "ample opportunity for full discussion with all concerned".

With respect to the operation of educational broadcasting, our present view is that it would be wasteful, impractical and unnecessary to establish a new federal agency as the operator of this public Broadcasting service. We believe that, in the CBC, a suitable one already exists. The corporation's long and successful history of school broadcasting, in co-operation with all the provinces, the availability of its manpower experienced in all phases of production, its technical resources and knowledge,—all these would contribute markedly to the rapid and efficient development of educational broadcasting services. The corporation seeks no other role than that of operator. Program content must remain the responsibility of the provinces and BBG authority should be established generally, as outlined on Page 13 of the White Paper.

Looking ahead, it is our view that the establishment of a second federal operating body in broadcasting could lead to a conflict of program responsibilities between the two public operating agencies. The kinship between the CBC public affairs programming, certain dramas and service programs such as farm broadcast, and those of the proposed educational service is obvious. The advantages of co-ordination through a single operating agency are, in our view, equally obvious.

We, therefore, recommend early discussion of these matters with a view to avoiding unnecessary future complexities. The memorandum is signed, the directors of the CBC:

J. M. R. Beveridge
W. E. S. Briggs
Maxwell Cohen
M. P. Hyndman
D. M. MacAulay
E. B. Osler
J. A. Ouimet
Dr. Stephanie Potoski
J. G. Prentice
Andre Raynauld
Dr. Leonard Rousel.

The CHAIRMAN: Thank you, Mr. Ouimet; would you like to table your brief to which you referred?

Mr. OUIMET: Yes; we have copies in English and in Franch.

The CHAIRMAN: Is it agreed that these be received and distributed to the members of the committee?

Agreed.

The first member of the Committee on my list of people who have indicated they would like—

An hon. MEMBER: We cannot hear a thing you are saying.

Mr. COWAN: No wonder; with all that is going on behind us.

The CHAIRMAN: The first member on my list is Mr. Fairweather.

Mr. COWAN: Mr. Chairman, I do not like to interfere with Mr. Fairweather, but I would like to clear the air. Has the gentleman who gave the brief this morning cleared it with Miss Judy LaMarsh and the senior officers of the department involved, as Admiral Landymore was required to do in another department?

The CHAIRMAN: I recognise Mr. Fairweather, Mr. Cowan, I recognise Mr. Fairweather.

Mr. COWAN: Well, I asked you a question.

The CHAIRMAN: Well, I have already recognised Mr. Fairweather; he has the floor.

Mr. COWAN: All right.

Mr. FAIRWEATHER: Mr. Ouimet, during your presentation you took a couple of sentences from the first page of the White Paper having to do with "essential part of the continuing resolve for Canadian identity and Canadian unity", and then at the bottom of page 1, "collective control over the new techniques of electronic communication that will be sufficient to preserve and strengthen the political, social and economic fabric of Canada, which remains the most important objective of public policy." I think you called it vital programming. Now during the prime times which, as I understand it, are from 8 p.m. to 10 p.m., what proportion of CBC programming has this vital public policy in mind?

Mr. OUIMET: I believe I should begin my answer by stating that all the programming of the corporation, whether it is light entertainment or sports or whether it is public affairs programming or serious drama, is considered to be essential as part of the public service by the corporation; so when we make a distinction between what is called here the vital programming and some other programs, it is purely to indicate that it is more important to the future welfare of the nation than straight entertainment would be.

I do not want to belittle the importance of straight entertainment in the answer I am going to give. Between 8 and 10 there is definitely a very high proportion of straight entertainment of the type I would call commercial-type programming; things that sell well to the sponsors. We have prepared some figures on this, I think, in answer to your question, Mr. MacDonald, and I think

they show pretty clearly that we are not able between 8 and 10, because of our commercial exigencies, to provide much that would fall in the category that is described here.

Mr. FAIRWEATHER: Mr. Chairman, is it not true that it is not much; you do not provide any between 8 and 10 on any day on any week throughout the year, and yet the White Paper says that it is the the most important objective of public policy.

Mr. OUIMET: We do provide many, as you know, special programs which pre-empt regular commercial series; for example, I believe a recent convention was covered during that time, and there are many other examples such as this, but on the regular schedule, it is mostly things that sell. This is not a matter of choice for the CBC, this is the only way we can achieve the commercial target that has been given to us; and this is why we feel so strongly about the future when the White Paper recommends an even higher target than we have now. We cannot make that amount of money during the daytime, so it has to be made at the time when the audience is at its peak, and that is 8 to 10 p.m.

Mr. FAIRWEATHER: So, therefore, when the audience is at its peak, the most important objective of public policy, that of the continuing resolve for Canadian identity and Canadian unity takes second place to commercial considerations. Is that correct?

Mr. OUIMET: We are forced into that position by the commercial target imposed upon us.

Mr. FAIRWEATHER: I have no other questions.

Mr. PRITTIE: Mr. Chairman, it seems to me that there were a couple of quite important points mentioned in the brief from the CBC and probably the most important point was the abandonment of the idea of a single system of broadcasting in favour of a dual system, the public and private. Important to all of that is the role of the new proposed authority of the Board of Broadcast Governors. Mr. Ouimet did give some outline of what he thought the role of that board should be. Let me ask this question. Would you see the role of the BBG in this way at all? Would it have any power to order the two systems along these lines, to what kind of programming they would give at what time? For example, there has been some criticism recently that on Sunday night when there are the two public affairs programs, "W5" on CTV and "Sunday" on CBC, they both come at the same time, and that if they were given a different time, people would have a choice instead of having to make a decision between which they would watch. Would you see it as the power of the new BBG to be able to tell one network to schedule this program at a different time when the other network is putting on a public affairs program? Would this type of power be included in the BBG?

Mr. OUIMET: Are you asking whether this type of power is envisaged in the White Paper, or whether it is envisaged in our—

Mr. PRITTIE: Oh, no; in your presentation.

Mr. OUIMET: No, in our presentation we do not envisage this kind of power. As a matter of fact we consider it to be an impractical power to exercise even if it was given. I do not believe it is possible for a controlling agency or regulatory

board to control the individual programs of two sectors, such as the public and private sectors, without becoming involved itself in programming operations; in other words, it is not just a question of programming there is the question of the financial implications of this control, and I do not think that a board could exercize it without in a sense being the operating agency, because it would really have to get involved in operations.

I do not think it could be done by straight regulations. This is the point we make, that this kind of co-ordination of the two outputs, the output of the public sector and the private sector, has never been done in past, even in the early days when the CBC was the only public board and had the operating responsibility as well as the regulatory authority; and it has not been attempted either by the BBG. I do not think it could be successfully carried out unless you had a single board, not two boards; a single board fully responsible for the whole thing, and responsible with a much higher degree of authority than I can envisage in the White Paper.

Mr. PRITTIE: So it is clear enough. You want the C.B.C board to have total control of their programming and the private systems to have theirs with whatever regulations there are to be carried out by the B.B.G. over the private systems.

Mr. OUIMET: We also recognise the need for general regulations which would apply to both sectors, but they are very general in their character.

Mr. PRITTIE: Another question; you mentioned that of some importance was the question of educational broadcasting and the White Paper did suggest a separate agency to include that. You suggest that you do not like that idea, that it should come under the C.B.C. Would you envisage separate stations for this purpose, or would these be, as of the present time, part of the broadcasting pattern of regular C.B.C. stations, or would they be separate stations under the corporation, entirely devoted to educational broadcasting?

Mr. OUIMET: Educational broadcasting is in a state of flux at the moment. We still have very important school broadcasting activities going on in co-operation between the provinces and the corporation. We have school broadcasts every week in most of the provinces of Canada, and this is going on now and will go on for a while, perhaps, for some years. On the other hand, there seems to be indications that the needs of educators are greater than can be satisfied by the C.B.C. on its regular network facilities. Therefore, what is envisaged now are E.T.V. stations, special stations which would be built at first in those provinces which have the necessary financial resources to provide programming for these stations, and I imagine these would be Ontario, Alberta, and perhaps one other. The question arises whether those stations should be operated by a new agency or by the C.B.C., and we are saying that the C.B.C. can do that very well without changing any of the policies which are envisaged in the White Paper.

Here we have the well-known problem of two jurisdictions: provincial for education and federal for broadcasting. The solution proposed in the White Paper is for the federal agency to own these stations, but the programming to be done by the provinces. What we are saying is that the C.B.C. can be that agency. That does not mean necessarily a transcontinental network. It may mean at first just the operation of individual stations, then the tying of these stations perhaps in regional operations, and finally perhaps on a national basis.

Mr. PRITTIE: This is the last question I will ask now, Mr. Chairman, so that other members can ask questions. You suggested that the next license to be granted in areas now served only by private stations be for the C.B.C. Have you any idea of how many Canadian cities would be involved in this? What standard do you have for size of city to obtain this kind of service?

Mr. OUIMET: I think the number of cities involved is about 25. As you know, the C.B.C. has stations already in a number of large cities and is building all the stations in the very small cities, so that the only communities we are concerned with here are the middle sized ones like Sault Ste. Marie or, let us say, Kamloops. As these cities are not all ready for a second station, we are not suggesting that the C.B.C. proceed to build all these stations now. We are simply saying that when the time comes for a second station, then it should be a C.B.C. station and vice versa. In this cities where the C.B.C. now operates alone, when the time comes for a second station, it should be a private station.

Now, I should mention here that this principle, which is a very important one, has been endorsed publicly by the B.B.G. and also by the C.A.B. I read it in some of their recent memoranda. This principle is based on the recognition that a community has a better choice of service, when that choice of service is supplied by a combination of a C.B.C. station and a private station, than by a combination of two private stations, and I would add also, two C.B.C. stations.

Mr. PRITTIE: I pass.

The CHAIRMAN: Thank you. Mr. Ouimet, I think one point in your comments might be clarified, but I have not seen anything in the White Paper which says educational stations should be operated by the federal government and the programming be determined by the provincial government. The words they use are "programs designed to meet the needs of the provincial educational systems as determined by the responsible provincial authorities". I see nothing in the White Paper which says that this is exclusively what the educational stations should do. I am not sure whether you intended to indicate that the programming should be done by the provinces.

Mr. OUIMET: On this I probably stretched the meaning of the White Paper quite a bit to cover what I considered to be the present thinking with respect to division of responsibilities.

Mr. COWAN: Halfway down page 13.

Mr. OUIMET: I was looking for my copy; here it is.

Mr. COWAN: I read:

> The government is prepared to give immediate consideration to the creation of a new federal organization licensed to operate public service broadcasting facilities under educational broadcasting. This organization would be empowered to enter into an agreement with any province to make such facilities available for the broadcasting within the province, during appropriate periods of the day, of programs designed to meet the needs of the provincial educational system as determined by the responsible provincial authorities.

The CHAIRMAN: My suggestion is simply that it does not say that that is the exclusive purpose of those stations, but it will make time available for that purpose.

Mr. OUIMET: In the case, Mr. Chairman—I think this is a very important point, if these stations are used for other purposes, I imagine that it can only be for broadcasting. They are broadcasting stations; therefore the possibilities of confusion and duplication with the CBC are that much greater. We are concerned with this and also of course we are concerned with the definition of what constitutes educational broadcasting, but it is probably too early to discuss it.

(Translation)

Mr. LAFLAMME: Mr. Ouimet, I would like to put some questions to you in regard to the goals mentioned on page 1, where you say that the goals of the CBC consist in strengthening the political framework, *et cetera*, insuring a Canadian radio service so to create a Canadian identity and a Canadian unity.

I want to ask you about this. Are you ready to agree that the CBC—I am speaking of the French network—has atempted to attain these goals over the past four or five years?

Mr. OUIMET: Yes, I am satisfied that the CBC has attempted to reach these objectives though I admit that there is a great deal to be done in this field yet. We have not completely succeeded. The same is true of all our goals. At this given moment in our history, we are going through a national crisis, a major crisis. This makes our problem even more complex and difficult and our role even more important. But I believe that we have achieved a great deal in furthering national unity and we will achieve a great deal more over the coming years.

Mr. LAFLAMME: Mr. Ouimet, within the structure of the CBC, it does not seem that anyone is responsible for radio and television generally. We know that the people responsible for production are the producers. But who is the final responsible authority? Is it the management? When you have appointments, what are the criteria used in this connection?

Mr. OUIMET: The responsibility is very clear, quite as clear as in any other major operation, whether it be Bell Telephone, General Motors or anything else. As you say, we have a Board of Directors, we have a senior management whose responsibilities involve the provision of nationnal services in two languages and the operation of the international service. We have four major divisions: the French and English networks, the regional services and the international service. The persons responsible for the French network are the head of the French network and his assistant. Then in television, radio, news and public affairs, we have clearly defined responsibilities, as well. There is no problem in this whatsoever. The organization is no more complex than any other organization of the same size. You know, the CBC is a large enterprise.

Mr. LAFLAMME: Yes, precisely, it is a very large enterprise. I would like to have more details; the general outline we are all aware of. To give you an example, without naming names, let us say the CBC French network appoints a commentator at a given location. Who is responsible for appointing that commentator?

Mr. OUIMET: The supervisor of public affairs programmes, and, if the commentary is part of a given programme, the producer of the programme is the one who appoints him. It depends on the programme.

Mr. LAFLAMME: What are his powers?

Mr. OUIMET: He has the power to create the programmes on the schedule and to appoint people who are capable of producing those programmes. The responsability is clearly defined. He has it entirely but under the direction of his superior whom he must satisfy.

Mr. LAFLAMME: There is freedom, let us say, in all his programmes, once you have appointed him.

Mr. OUIMET: Yes.

Mr. LAFLAMME: And the programme—

Mr. OUIMET: We have 200,000 programmes.

Mr. LAFLAMME: Take a given programme. In this programme, when you have appointed someone to carry it out, does someone view it or is the producer solely responsible?

Mr. OUIMET: It depends. In some cases, this is not possible, because there are several programmes,—news programmes, current affairs programmes,—actualy programmes that are not put on tape. But in other cases, major productions are recorded on tape. If you were speaking, for instance, of opera or drama, those are usually taped before the broadcast and can be viewed sometime before the telecast or broadcast. It is easy in such cases, if there be some difficulties arising, and the supervisor or producer is not sure of the quality of the programme, they see the programme together. In other cases, it is not possible.

Mr. LAFLAMME: What are the commentator's powers?

Mr. OUIMET: When we have comments on the air—say at 8.15 a.m. on the English network—these are, as a rule, made on the spot.

(*English*)

The CHAIRMAN: Mr. Laflamme, I think your questions might have been more relevant to the estimates of the Canadian Broadcasting Corporation. I think we should concern ourselves today with the principles enumerated in the White Paper and Mr. Ouimet's observations on them. I am not sure that this line of questioning is entirely relevant. I do not want to interfere with your questioning, but would you try to keep your questions relevant to the subject of the White Paper and Mr. Ouimet's comments on it.

(*Translation*)

Mr. LAFLAMME: Well, obviously, I come back to the major question I had in mind, I was driving towards that expression of use. Distinctions may be drawn when we speak of a general objective that is the achievement of national unity being the main objective of the CBC, and I think it is important for us to know, within the jurisdiction of the CBC, what powers are given in the production of diverse programmes, whether the freedom to produce is divided up among

hundreds of individuals or whether it is general supervision that enables the management, not to censor a programme, but to exercise general supervision and find out who is responsible for such and such a practice.

Mr. OUIMET: I would like to give you further details, because you have somewhat amplified your question and I see what the point of your question is. I was speaking of what might be done before broadcast or telecast and I spoke of viewing. This is sometimes possible and sometimes not.

There are continual relationships between the producer and supervisors, between the supervisors of a given service and the director of programming. This process lays down the general policies to be followed, the character of the telecast or broadcast to be created, and this is all done ahead of time. People do not make more telecasts or broadcasts, according to their fancy. They are obliged to follow directives that are given to them, in a general way, for a series of programs. And once the programs have been made, have been put on the air, the supervisors and programme directors see them and listen to them. They also judge them and, if necessary, they point out to the producer or supervisor that there may be some corrections to be made, because something is not quite in line with directives laid down and policy to be followed. So, certainly, there is a directive given before and there are directives given after telecast or broadcast.

Mr. LAFLAMME: My last question. In the perspective of your general goal, let us say that you send a commentator to the United Nations. The CBC can attempt to identify Canada as a nation and promote national unity. Is it statisfied if a commentator instead of commenting, let us say, on the stand taken by Canada, should praise stands by other countries?

Mr. OUIMET: You know, our commentators are not there to speak solely of Canada. They are there to speak of major news events. So, I cannot reply to your question in a precise manner without knowing the specific case. I simply say that if there is something more important than what was done by Canada in the United Nations, it is quite certain that the work of the commentator would be to report it to Canadians. But he cannot, of course, ignore Canada too frequently. Otherwise, the supervisor would point out to the commentator that he is not doing his work as he should. But, you have something in mind, of course, which I do not know. I cannot therefore answer you precisely.

Mr. LAFLAMME: I am speaking of the comments that were made, following the stand taken by Canada in the United Nations. There was praise about other nations' stand and without giving a true explanation of Canada's stand.

Mr. OUIMET: As I did not hear the programme and it is the first time I have heard of this incident, I cannot reply about this specific case. Certainly, I will look into it and attempt to see what did happen and whether the commentator did not follow our general directives and lines of policy.

(*English*)

Mr. JAMIESON: Mr. Ouimet, on the matter of control, which goes all through the submission which you made this morning, is it a proper interpretation of your view to say that except for the BBG's activity in the technical sense, in the matter of spectrum management, the designation as to the use of channels, frequencies, and so on, you see the CBC as having no direct relationship with the Board of Broadcast Governors at all?

Mr. OUIMET: You include in spectrum management, licensing?

Mr. JAMIESON: Yes.

Mr. OUIMET: No; there is another field, and that is the question of relations with the affiliates. Questions of affiliation would fall in this category. Anything which is required in terms of co-ordination, and at the present stage of the unmeshing of our single system into two systems, there is still a number of things to be done. We say, all right, the BBG should do that.

Mr. JAMIESON: But ultimately if we were to achieve the dual system that you outline; that is, a totally private and a totally public service, two of them across the country, this affiliation relationship would no longer exist. In other words, it may take a number of years to achieve what you have outlined, but this is strictly an interim phase, so as I understand your comments this morning, what you are saying, in effect, is that the time should come when the Board of Broadcast Governors would have as almost its total responsibility the governing of the private sector and the board of the Canadian Broadcasting Corporation would have total responsibility for the operations of the corporation?

Mr. OUIMET: Not quite, but not far from what you say. The CBC board should have total responsibility for the programming policies and operations of the corporation because we do not think the two can be divided. On the other hand, we say that there are general regulations, for example, in the field of advertising, or if there were a general regulation with respect to Canadian content, or if there were general regulations, for example, limiting the number of hours of broadcasting per day, where, it would be, of course, unrealistic to have two different sets of rules that would apply to the private and the public sector. But we must not forget that eventually we will get this separation of the two sectors, if only through the means of satellites, maybe in fifteen years from now, when we transmit directly to the public by means of satellites. Obviously, at that time, the stations which are affiliated to our network will no longer be needed for that purpose; we will be reaching the public directly. Now, this being the case, then we do have in the making this complete separation of two sectors, and we are saying that the broadcasting system that exists in Australia is the one that would be the most suitable for us. That is, as you know, a control board that manages the spectrum as you say; has no authority whatsoever with respect to ABC programming, but has authority over private stations with respect to their programming. This is what we are saying.

Mr. JAMIESON: Let us assume that there were to be a continuation of what is now a general regulation having to do with programming—I am paraphrasing a bit—that is profane or obscene. As things stand at the moment, the corporation is, I think, responsible to the BBG in terms of that general regulation. Now, as to a private broadcaster, there is no question that he has this responsibility, but I think it is fair to say that there have been a number of programs on the corporation that strictly speaking, and according to the law, have in fact included both profanity and scenes which might be described as being obscene. Do you feel that anyone who tends to feel this way or is inclined to believe that these programs are against the regulations, as they presently exist, has an appeal to the BBG, for example, some member of the public or some organization, could it

in fact take the necessary steps through the BBG to complain about the CBC and some of its programming?

Mr. OUIMET: Under the present regulation?

Mr. JAMIESON: Yes.

Mr. OUIMET: Some have done this, and actually the BBG in the earlier days have on some occasions raised such questions with us, and, of course the problem was to define what was profane or obscene. You will recall some of our discussions on this. The definition of what is profane and obscene is one that has been very difficult even for the tribunals to deal with and which was just as difficult for the BBG and CBC to deal with in those few instances; and I think it was recognised fairly early in the development of the BBG that there was really no way to deal with this except through the tribunals of the land, because it required a definition. I do not think that a public board has the right to interpret the law. It is the tribunals that do this.

Mr. JAMIESON: But, Mr. Ouimet, I appreciate the problems in definition, but I think the fact is that there is a regulation that says specifically that profanity shall not be used on the air. There is a pretty well established set of rules as to what constitutes profanity, surely.

The CHAIRMAN: Is there?

Mr. JAMIESON: Well, I am not going to get into the legal arguments about it. What I am saying is, I have a pretty good idea, at least, that if somebody uses—well, I do not know if it is permissible to use it here—

An hon. MEMBER: Damn and hell.

Mr. JAMIESON: No, I am not talking about that. I do not know if this might be argued as being profanity, but I am talking about more specific instances of it. And I also think we do have a real problem area with regard to this matter of obscenity. What I am asking here is, if the BBG does not have the control, how does the corporation exert the control? Now, I think this is a different relationship to the question which Mr. Ouimet put.

Mr. OUIMET: Yes, before we go any further, you made certain statements that, in your opinion, we had quite a number of broadcasts which were profane.

Mr. JAMIESON: Incidentally, I did not say the CBC did I? I said there have been broadcasts, I am not saying with respect to the CBC.

Mr. OUIMET: We will go back to the question of definition. This is always a difficult thing. How do we deal with it inside the CBC? In the same way any other board would deal with it, and that is, we examine it. If there is a case that comes to our attention, through our own viewing at the board level or one that is brought to our attention by comments outside the corporation or in the house, we review it; we look at the program; we assess whether we did in fact do something which was against policy, and if we did, then of course we immediately take the necessary steps to prevent it in the future.

Mr. JAMIESON: This is a kind of after the fact control; this is after the program has been broadcast. May I be specific? How far up the ladder of control did the decision about last week's "Sunday" program go? Now, we are at the

stage where, clearly, there has been a good deal of public outcry about this. There was pretty good evidence in the house yesterday that there are at least certain people who do not particularly like it. This I think is at least a program that justifies the kind of criticism to the BBG that some people might want to make.

Mr. OUIMET: And some have made it, I understand.

Mr. JAMIESON: But the question that I am asking is, was it merely the producer who made this decision; was it the supervisor; did he feel that there was any necessity, the producer for example, to bring this program to the attention of his superiors? Or just what was the measure of his—I hesitate to use the word control in this case—but what was the general measure of supervision on this particular program?

Mr. OUIMET: I think I should say at this point before I go any further that we have to distinguish here what elements of the program we are talking about. If you are talking about the first part which was called "Exit 19" let me say this has been reviewed by our people in Toronto and by ourselves. There is no doubt in our view that in the way it was presented, we made a mistake in doing that item. To answer your question as to how far such things go up the line before—

Mr. JAMIESON: Before it gets on the air.

Mr. OUIMET: —before it gets on the air. This item went part of the way up the line and was thought in the judgment of the people involved to be satisfactory and acceptable. We are dealing here with the real problem of programming, and that is that, after all, human judgment of one man, two men, three men, but it does not matter how many it is still human judgment, and the criteria vary, depending on who makes the judgment. Generally speaking, we must admit that our creative people, the producers, tend generally to be a little nearer the edge of the avant garde movement in the evolution that we have now in modern thinking than are perhaps some members of parliament, and also the management of the corporation. We can run into that sort of difficulty. It is not possible to come all the way up the line and check these things beforehand and have any program at all. In other words, if you want creativity, and that is what we want—

Mr. COWAN: Is buying a film creativity?

An hon. MEMBER: Yes.

Mr. COWAN: Is buying a film from Britain creativity in Canada?

Mr. OUIMET: By the way, I do not want to defend that film too much, but you will be interested to know that this film was shown in Great Britain. There were 45 minutes of it, not just eight minutes. I cannot judge whether these were the worst eight minutes or a representative extract, but in Great Britain the reaction to the film was rather mild. I think there were some three letters written to the BBG with respect to it. But we are not operating in Great Britain; we are operating in Canada, and the reaction here is not the same as in Great Britain. We accept this.

Mr. JAMIESON: Well, Mr. Ouimet, I have no wish—I think Mr. Fulton wants to get in a little questioning.

Mr. OUIMET: If you want to discuss this, I think it would be useful for the Committee—I thought about this matter yesterday knowing very well that this would come up in view of the discussion in the house, and I have a summary of our thinking on the program as a whole, and on this item in particular. I think if I could be permitted to give it to you—

Mr. JAMIESON: Can I ask just one final question to end this particular aspect. I have many other things, but there are other members of the Committee. If I am again interpreting your correctly, the fact of the matter is that within a broadcasting structure such as we have, a good deal must depend upon individual producers in terms of what actually gets on the air.

Mr. OUIMET: Obviously.

Mr. JAMIESON: And if the CBC, for example, is not answerable to any other board in any way, there is a tremendous responsibility on the board of the CBC to exert some kind of effective control before the fact in a substantial number of cases.

Mr. OUIMET: There is the same responsibility on the board of the CBC as there would be on the board of the BBG if the BBG were given that responsibility.

Mr. JAMIESON: Not necessarily.

Mr. OUIMET: Oh, yes necessarily. You are simply changing the staffing of the board. If you give this to another board further remote from the operation than the CBC board is, I would say that you are going to get less effective control than you do by making the responsibility very clear to the board that you have.

Mr. JAMIESON: I do not hold with that point of view, for this reason, I think, Mr. Ouimet, again I will make this very brief, but I think that the CBC board is almost inevitably in the position of having to defend the action of its producers, in large measure; whereas the BBG board is a separate tribunal, and surely what I am saying here is part of the basic concept of things all through the centuries almost where there is a separate or independent body to whom people can appeal, and in this case the shareholders, the taxpayers of the corporation. But I pass, Mr. Chairman.

Mr. OUIMET: By the way I would like to answer this by simply saying that after very careful consideration of this problem, the board of directors of the corporation do not agree with you.

Mr. JAMIESON: Well, I am not surprised at that.

Mr. OUIMET: I do not think it is that easy. I think there is a principle here which is very important, and that is not to try to obtain what is desired from an institution by the superimposition over it of different levels of authority. The best way to obtain what you want from any institution is to get it right there. I think that if the board of the CBC is at the moment not doing its job properly, there is a very simple way to correct the situation; not by putting another board over the first board, making that board ineffective and with less authority, with the result that the management of the CBC will have to deal with two boards instead of dealing with one, and with all the conflicts that we would have then.

The CHAIRMAN: Now, Mr. Ouimet, has offered to make a brief statement concerning the specified example Mr. Jamieson referred to. However, we do have to be out of this room shortly, and I know Mr. Fulton had asked for the floor. It has been the practice in some of the committees that the members of the committee should have priority over other members in questioning, and there are other members who would like to ask questions, but I might suggest that if the Committee agrees, Mr. Fulton be permitted to ask Mr. Ouimet the questions that he has now and perhaps Mr. Ouimet will then have the opportunity to give his statement, as I presume that is the subject on which Mr. Fulton would like to ask his question.

Mr. PRITTIE: Before we do that, how much time do we have to stay here?

The CHAIRMAN: We have another five minutes.

Mr. STAFFORD: Why do we not have the statement first? It might clear up a lot of the questions.

The CHAIRMAN: Well, Mr. Fulton, not being a member of this Committee probably has other obligations on other days, and he may not be able to come back. I was suggesting if the Committee agrees perhaps he could try to have his question answered.

Mr. STAFFORD: I would rather hear the statement first myself, being a member of the Committee.

The CHAIRMAN: I am anxious to have the Committee's decision on this. It is a matter for the Committee, not for me. Is that the wish of the Committee that we hear the statement now? Well, that seems to be agreed. Mr. Ouimet.

Mr. OUIMET: Well, knowing that several members might have comments to make or questions regarding the "Sunday" program of last Sunday, we have given it a lot of thought to what we might say about it at this moment, and it has not been an easy task because management's assessment of the program is much more complex than the assessment of just one particular item in it. I should emphasize first, I think, what everybody knows, that "Sunday" came into being as a successor of "Seven Days". The popularity of that program and the distressing circumstances that led to its demise made everyone concerned in the corporation intensely aware of the need to turn out a program this season that as far as possible would fill the void left by "Seven Days" and meet the public expectation that it had aroused. You will recall that the qualities of "Seven Days", its creativeness, its courage and liveliness were praised in many places throughout Canada, I think here in this Committee last spring, and that management was under fire at that time for allegedly suppressing those qualities. Knowing this and knowing how great was the public interest in the whole situation, the corporation felt that every effort should be made to develop a Sunday program for this season which while not a copy of "Seven Days" would over a period of time display many of the latter program's better characteristics, at the same time developing new ones of its own.

We in managment realise that this places a great burden of responsibility on the executive producer and those associated with him in the production as well as on the various supervisory people in Toronto who are also associated in varying degrees with the project. With that in mind we put together the best

production team we could find and asked them to develop the new program. The programs of the last four Sunday nights have been the result to date. As I have indicated, I think the production and supervisory people concerned were handed an extremely difficult problem. Having said this, I must add that they have not yet solved it successfully. The shortcomings which have been referred to in the press and elsewhere are evidence of that, but this does not surprise us.

It would have been little short of a miracle if "Sunday" had been an instantaneous and unqualified success. It took "Seven Days" quite sometime to shake down and it was only in its second year that it hit its full stride. I submit, therefore, that "Sunday" needs more time to find its bearings and to show whether it can measure up to management's requirements and public expectation. We hope it will. It is only four weeks' old, and that is not long enough to give the program a fair trial. If after that fair trial, it has not been possible to eliminate the weaknesses that have shown themselves so far, it may be reasonable to assume that these weaknesses are ineradicable and that the program is not capable of improving. However, I do not want to speculate on these contingencies and we will deal with it when it arrives.

What I have said represents our attitude to the program as a whole. The question of the film item called "Exit 19" on last Sunday's program is a different question. The program was built around the theme of the impact of the so-called new morality and the Christian churches. The item in question filmed in Britain was intended to relate to the controversial report recently prepared for the British Council of Churches on, I believe, sex, marriage and morality. It is the opinion of CBC management, and I have not had time to check this with our board, that the item in question failed to find its place as an integral and justifiable part of the responsible treatment of a very sensitive subject and accordingly, in our view the broadcast of this particular item was a mistake.

The CHAIRMAN: Thank you, Mr. Ouimet, our time has expired. The Committee has been authorized to meet in Montreal on Monday and Tuesday, of next week to visit the National Film Board and the Montreal production centre of the Canadian Broadcasting Corporation. I would ask each of you to communicate to the clerk your intention with respect to these visits.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 30

MONDAY, DECEMBER 12, 1966

WHITE PAPER ON BROADCASTING (1966)

WITNESS:

Mr. J. A. Ouimet, President, Canadian Broadcasting Corporation.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25261—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Johnston,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	Mr. Mather,	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Simard,
[1]Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,
Clerk of the Committee.

[1] Replaced Mr. Laflamme on Friday, December 2, 1966.

ORDER OF REFERENCE

FRIDAY, December 2, 1966.

Ordered,—That the name of Mr. Hymmen be substituted for that of Mr. Laflamme on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

25261—1½

MINUTES OF PROCEEDINGS

MONDAY, December 12, 1966.
(48)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 8.15 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Basford, Berger, Fairweather, Hymmen, Jamieson, Johnston, MacDonald (*Prince*), Mackasey, Macquarrie, Mather, McCleave, Munro, Pelletier, Prittie, Richard, Simard, Sherman, Stanbury (18).

Member also present: Mr. Forrestall.

In attendance: From the Canadian Broadcasting Corporation: Messrs. J. A. Ouimet, President; J. F. Gilmore, Vice-President, Planning; and Ron Fraser, Vice-President, Assistant to the President.

Also in attendance: Dr. P. M. Ollivier, Q.C., Parliamentary Counsel.

Mr. Ouimet tabled a statement in answer to questions by Mr. McIntosh at sitting of November 22, which the Committee agreed to print in an Appendix to the Minutes of Proceedings and Evidence of this day (*See Appendix 12*). *Note: Copies were distributed to each member of the Committee.*

The Chairman presented the Twelfth Report of the Subcommittee on Agenda and Procedure, dated December 12, 1966, as follows:

1. Your Subcommittee considered the request of the CBC News, Ottawa Editor, to record the Committee's proceedings on audio tape and also to record the proceedings on film for television.

2. Your Subcommittee recommends that:

Your Chairman be asked to communicate with the Speaker of the House and convey this Committee's opinion that consideration should be given to radio and television broadcasting of a Committee's proceedings on an experimental basis.

On motion of Mr. Prittie, seconded by Mr. Mather,

Resolved,—That the Twelfth Report of the Subcommittee on Agenda and Procedure be now concurred in.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

Mr. Ouimet was further examined on various matters including control and responsibility for programming, commercial activities, quality standards, Canadian content and educational T.V.

At 10.00 p.m., the examination of Mr. Ouimet being concluded, subject to recall at a later date, the Committee adjourned until 9.00 a.m. on Thursday, December 15, 1966 when officials of the Board of Broadcast Governors (BBG) will appear before the Committee.

M. Slack,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

MONDAY, December 12, 1966.

The CHAIRMAN: My apologies, gentlemen, for keeping you waiting. The Committee will now come to order.

Last Monday members of the Committee visited the National Film Board facilities in Montreal, and on Tuesday the facilities of the Canadian Broadcasting Corporation in Montreal, including the International Broadcasting Centre at Expo '67. Copies of the statements that were given there are now being distributed to members.

Tonight we are continuing the examination of the President of the CBC, Mr. J. A. Ouimet, on his comments on the White Paper on broadcasting.

The first person on my list for questioning is Mr. Cowan, followed by Mr. Fulton. Neither of them is here this evening, therefore, Mr. MacDonald is next. Before we do that, Mr. Ouimet has the answers to a number of questions which were posed at a previous meeting. We might distribute these, unless you wish them to be appended to the minutes of this meeting.

Mr. J. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman, this is in answer to the question asked by Mr. McIntosh about coverage. You will recall there was an extensive discussion, and I believe it would be useful to the Committee, not only to distribute it, but to have the answer as part of the record, since the Committee spent quite some time in discussing the question.

The CHAIRMAN: Is that agreed?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Is there just one answer, Mr. Ouimet?

Mr. OUIMET: We have 25 copies and it is a single answer.

The CHAIRMAN: Is it agreed that this be printed as an appendix to the minutes of tonight's meeting?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Copies will be distributed in English and in French.

Before proceeding, there is the 12th Report of the Subcommittee on Agenda and Procedure, which perhaps we should deal with now.

(*See Minutes of Proceedings*).

Mr. PRITTIE: I move the adoption of the report.

Mr. MATHER: I second the motion.

Mr. McCLEAVE: Mr. Chairman, I would like to make a very brief comment. Many light years ago, the member for Halifax made a suggestion such as that, but it was shot down.

An hon. MEMBER: Mr. Jerry Regan?

Mr. McCLEAVE: I still intend to vote for what I recommended then, and I say this in all modesty.

The CHAIRMAN: In all modesty, I will not mention who was the seconder of your motion.

Is it agreed that this Twelfth Report of the Subcommittee on Agenda and Procedure be adopted?

Some hon. MEMBERS: Agreed.

Motion agreed to.

The CHAIRMAN: We will now proceed with the questioning, and Mr. MacDonald, you may proceed.

Mr. MacDONALD (*Prince*): Mr. Ouimet, perhaps first of all, as a member of this Committee, I should thank you for your great hospitality which was shown to us by you and the other members of the corporation on our visit last week. It showed again the great technical foresight and ability of the management of the CBC, but it served to augment my own conviction, and it has been a growing one, and perhaps I should refer back to a comment that you made when we began to sit again a few weeks ago, to the effect that in the spring we were critical of the CBC on one side of the question, and in the fall we were critical on the other side, or, what was considered a reaction in the spring becomes revolution in the fall. I do not remember the exact quote. I suppose we might respond by saying that Daryl Duke was considered taboo at one time and is now accepted.

There has been a considerable amount of discussion about the two programs, "Sunday" and "Seven Days", and I do not want to get into a discussion of these programs here. It seems to me to point up a basic difficulty encountered by the CBC management, which I think we must try to overcome in the reconstruction of public broadcasting in this country. I refer to a real lack that has existed in the level of management; one, in the understanding of what creative media of radio and television are primarily for, and, two, in how administration affects the best working relationship for the creative results we hope to see in these two media. I think there has been a progression away from responsible and creative broadcasting, and I wondered if at this point you would have suggestions as to how we can assure that the public broadcasting sector in this country does achieve much more of the purpose for which it was originally intended?

Mr. OUIMET: This may take me more than a few words to answer, because you have made a number of statements or assumptions in your question.

Mr. PRITTIE: On a point of order, Mr. Chairman, before Mr. Ouimet replies, without any prejudice to the line of questioning that Mr. MacDonald has, the White Paper deals with the structure of broadcasting. I would suggest that we will have to make a decision early on whether we are going to deal with the

White Paper and the CBC's response to it, which really has to do with structure, or whether we are going to get into the realm of programming. It may be all right, if Mr. MacDonald is permitted to question along this line, then all the others will do the same, but if he is not, I think this decision has to be made soon in this respect.

The CHAIRMAN: I think Mr. MacDonald would agree that we have to stick close to the White Paper or we will make this a permanent study of the White Paper. I think if we want to come up with some significant recommendations we will have to stick close to the recommendations in the White Paper and the comments of the witness on it. If you could direct your attention to that—

Mr. MACDONALD (*Prince*): I do not know whether you can entirely separate them. I realize the concern and I do not want to get into a general discussion on programming, but I think the very obvious lack of prime time broadcasting at the present must say something about a failure in structure and the way in which structure is set up in order to facilitate the best public broadcasting we would expect from the CBC.

Mr. OUIMET: Mr. Chairman, I think I should be allowed to answer this even if it is in your opinion off the White Paper.

The CHAIRMAN: I hope that you would not answer it if you think it is off the White Paper, but if you think it is related in some way to the White Paper, please do comment on it.

Mr. OUIMET: A number of statements were made here. First, that there was a need for the reconstruction of the public broadcasting service. I find this very difficult to accept as a statement. We have our problems but to talk about reconstruction as if there was a general breaking down of the corporation is absolutely not understandable to me. You talk about management not knowing what the medium of radio and television—

Mr. MACDONALD (*Prince*): Specifically television, I would say, much more than radio.

Mr. OUIMET: —should be used for, and that we have progressively moved away from our mandate. Finally, you say that the fact that we are not doing in prime time what I agree that we should be doing is evidence of some deficiency in the structure. I do not think so. Let us take the last point first. I pointed out yesterday that our ability to improve our programming in prime time in terms of our mandate depends entirely on the commercial exigencies that we are given. It has nothing to do with structure. It is a question of what you can do and still earn enough commercial revenue to meet the commercial targets and that is what determines the mix of programming in prime time.

Now, with respect to the general assessment you make of the corporation, I must point out that up to this point in this Committee, whether in the recent two or three occasions I have appeared before you, or whether last spring when we spent, I think, 18 sessions on one particular subject, the only thing that has been discussed, and the only evidence that has been brought up has been with respect to two particular programs. We did not discuss anything else. It was "Seven Days" last spring and this time when we do discuss programming we are

discussing "Sunday." Now, this is just two series of programs, both in English, out of a total of, I do not know how many series. We make some 200,000 programs a year. I think that there is a tendency to judge the corporation on a couple of controversial programs instead of assessing the corporation on its total output; on its achievements and its successes as well as on what might be considered shortcomings or even mistakes, because we do make mistakes. I do not think these two programs are either representative of what the corporation is doing or, for that matter, that the difficulties they have caused are as serious as the time that has been devoted to them would seem to indicate.

I claim, and nobody yet has challenged this, that the C.B.C. is doing an excellent job day in and day out in radio, in television, in English and in French; in I.S.—this is the international service—in terms of network broadcasting; in terms of regional broadcasting and in terms of local broadcasting. We have a huge output and all we have been discussing and we have been judged on have been a couple of programs; in the last instance, on a particular episode or item in one program in the series.

Mr. MACDONALD (*Prince*): Pardon me, Mr. Ouimet, I have been talking about the whole field of programs. I certainly was not complaining specifically about two programs.

Mr. OUIMET: Let me ask you then some questions. I should not ask you some questions but let me ask a question of myself. What about "Twenty Million Questions"? I think it has been very good.

Mr. MACDONALD (*Prince*): Why was it put on a limited network this year instead of the full network that a similar program had last year?

Mr. OUIMET: Now we are getting into the difficulties of reserved time and programming, but it still gets 75 per cent of the coverage of Canada. What about "Public Eye"? What about "Newsmagazine," the news specials? What about "This Week"? What about the coverage of the elections; the coverage of the Progressive Conservative Convention; the Liberal Convention; the management-labour crisis? What about our news, our drama, the "Wojeck" series?

Mr. MACDONALD (*Prince*): What about that series? As I understand it, there is no preparation either to perpetuate that series next year or to—

Mr. OUIMET: There is every preparation to continue the series next year. We made 15—I do not remember whether it is 15 or 12—episodes and the films now have all been used up. It will take some time now to continue the series. But we intend to continue it in the future. We have replaced it with "Quentin Durgens, M.P." Now, certainly this is also a good program and a very successful one. What about our "Festival" program? What about our opera?

Mr. MACKASEY: Is that the one that has the farmer in that we heard about today?

Mr. OUIMET: I do not know about this one yet. What about our music programs? What about "Hymn Sing"? It is a popular program. What about "Don Messer"? "Tommy Hunter." "The Nature of Things;" the "Galapagos" documentary; "Intertel;" the farm broadcasts; the school broadcasts, political broadcasts—

An hon. MEMBER: You can leave them out!

Mr. OUIMET: "The Nation's Business;" "Provincial Affairs;" sports; special events; religious broadcasts? What about women's programs; children's programs; variety programs; Wayne & Shuster; "Front Page Challenge"; the "Flashback" series; the documentaries we are making? I am talking about the English television network. I am mentioning a lot of programs that have not been discussed here. Now, what about the French side—television and radio?

Les beaux dimanches, Bobino for the children, *Place aux femmes, Elle, Le sel de la semaine.* I am sure you do not want me to go on enumerating all the programs on the French network. And I did not speak of English radio or the international service. No, I think you were judging our programs not on the basis of the whole of our production, but merely on the basis of two programs or two series of programs. I do not think that is the way you can judge the work of a corporation like the CBC.

Mr. MACDONALD (*Prince*): Mr. Chairman, perhaps I will pass because I think I have struck a nerve.

The CHAIRMAN: I think the question was somewhat beyond the president's response to the White Paper and certainly the answer was. Perhaps we could move on to, I hope, a question that deals with the witness' brief of the last meeting.

Mr. JOHNSTON: As I read the White Paper I read questions like this:

> How can the people of Canada retain a degree of collective control over the new techniques of electronic communication that will be sufficient to preserve and strengthen the political, social and economic fabrics of Canada.

Or the following which appears on page 7:

> If is almost universally recognized that the regulation of programming must be entirely and demonstrably free from improper influences and pressures, and can therefore best be delegated to an independently constituted authority which is not subject to any form of direction in that regard.

As I have said before, the only test we have of this sort of hope is what we actually see on the programming. Therefore, I do not really think Mr. Macdonald's question was so far beyond the scope of the White Paper, because this is here and what we get in the preface and in Section II of part 2 is going to relate to what happens on part 4 and 5 when you get into the regulatory authority and the structure of the broadcasting system. It seems to me that what Canadians are looking for is this concept of a degree of collective control.

The CHAIRMAN: Do you have a question for that, Mr. Johnston?

Mr. JOHNSTON: Yes, I do. It seems to me that—

The CHAIRMAN: I agree that you should have equal rights with the witness to make a speech but—

Mr. JOHNSTON: Mr. Ouimet was pointing out something terribly important, as he outlined all of the good things that have come to Canadians through the

CBC. I think there are definitely two sides to that coin, because what is happening is that all of those things are being endangered by the much smaller proportion that people find really objectionable. This would, in a sense, throw the whole thing in danger if certain parts of it seemed to be beyond control.

I would like to ask, for example, how the Canadian public can exercise, and will it be able to exercise, a degree of collective control. That is the real question. I am not thinking about "Sunday" for example, at the moment or "Umbrella" or some of these less tasteful things that have appeared.

I would like to switch to children's programming and the program called "Butternut Square" which is part of a kindergarten series. There are three of these programs: "The Jolly Green Giant", "Chez Helene" and "Butternut Square". They appear in the morning. Of these three "Butternut Square" is being discontinued as of February. Now, this has been of concern to a great many mothers across the country who have found this extremely enjoyable and I gather useful. They are upset because it is going. It seems to be the best of the three. They are reassured that the other two will remain and that there will be a film to replace it but they are not really satisfied with that because they would like to see it continued. The reasons that have been given for its discontinuance do not really wash.

The CHAIRMAN: Mr. Johnston, if you are not careful you are going to be hired for "Seven Days" to pose a question. This is almost as long as one that was posed to Mr. Sharp last night. Would you try to come to the point because there are a number of other members who would like to ask questions.

Mr. JOHNSTON: Yes, I realize that but I have not asked a question on this Committee for a long, long time, as I recall. I am concerned about this question of collective control. How can the public keep a program on, for example, that they want. Can they make their wishes known sufficiently effectively to change policy? We do not seem to be able to keep a program off, and this has been the subject up to now. Can we work in the other direction? Can the public work in the other direction to influence the CBC?

Mr. OUIMET: This is a difficult one to answer in a few words, except to say that we have many, many ways of knowing what the public wants. We have many, many ways of knowing in a fairly scientific manner what the public thinks about our programs. We are guided by the public reaction, not only through surveys, through audience mail, through audience reaction as measured by our national panel which comprises some 2,700 people, who form a sample of Canadian opinion, and which provides us with an index of appreciation of our programming. We also go, of course, on the basis of our professional judgment of what is wanted, what is liked, what is appreciated and what is disliked. We have to make many decisions as between different choices that people have. People have different tastes. I am sure that quite a number would like to see "Butternut Square" remain and others would prefer something else.

From year to year we have to make program decisions, using our best judgment and ability, based on years of experience and based on the closest possible contact with the public, a contact which is equal to any other contacts which other groups might have. I think we are a pretty good judge of what the

public wants and we do our best to meet the public's wishes. Now I do not see any other way of doing it, particularly, in view of the fact that in practically every survey we make of any kind of programming, we find a great number of people in favour of one thing and a great number of people in favour of something entirely different.

One thing we learn when we enter the broadcasting profession is not to use our personal judgment as an indication of what the average Canadian wants. We depend on group assessment by a great number of people in the corporation, with the help of all kinds of devices such as surveys and audience mail, and so on. It is on that basis that we make our decisions. It is the unfortunate fate of the broadcaster not to be able to satisfy everyone at the same time, so we try to do it in such a way that people get what they want one after the other. I think this is the only thing I can say, I cannot accept the implication that we are not giving what the public wants.

Mr. MACKASEY: Can I ask a simple question, Mr. Chairman?

The CHAIRMAN: I would like to move on from member to member fairly promptly. Did you want to raise another question Mr. Johnston?

Mr. JOHNSTON: Yes, I did.

The CHAIRMAN: Or did you want to extend your previous question?

Mr. JOHNSTON: It has to do with the previous question. If this is the case, why is not this the answer that is given to the people who inquire about the program, that well, this one is on the skids and we are going to replace it with something else. At least the answer I got, and I phoned around about this particular program, was that the plan had been to program for a different age group, the 6 to 8 age group, somewhere around there; it was the school age group. Because facilities were not available then, the other program was being dropped, replaced by a film. I asked whether any check had been made as to the demand for programming for this particular age group, and, at least the person who replied to me did not seem to think there had been or did not know. I have written to the director of children's programs and I have not yet had an answer on it. But the suggestion given to me, the principle that you were operating on was that you were trying to program for all Canadians, and because there was an age group that sort of had a gap, it had to be filled whether they needed it or not, or whether they wanted it or not. It seemed to me—

Mr. OUIMET: Is that what our people said?

Mr. JOHNSTON: Yes, it was.

Mr. OUIMET: It had to be filled whether they needed it or not?

Mr. JOHNSTON: No, no, no. This is my interpretation of what they said; they said they were programming for all Canadians.

Mr. FAIRWEATHER: Well, are you speaking for all Canadians or the "Butternut Square" group here?

Mr. JOHNSTON: I am concerned about what happens in a sense to the image of the CBC, that when they do have something good going for them, they tend to drop it.

An hon. MEMBER: How do you know it is good?

Mr. OUIMET: No, no, frankly. How many times have we been told that we have programs that are almost perennials. We have some on the French network that have been there for 22 years, and I am sure we have some on the English network that have been there for at least 15 years. So we do not drop good things that fast.

Mr. MCCLEAVE: Well, Mr. Chairman, I think we all tend to make a mistake when we set ourselves up as program experts. Surely that is not our job. The question I would like to ask Mr. Ouimet, is this, if one reads the White Paper I do not think it can be said that there is any suggestion that the Board of Broadcast Governors impose specific program concepts on the Canadian Broadcasting Corporation, and yet as one reads the C.B.C. comments on the White Paper it looks almost as if the C.B.C.—not almost, beyond any reasonable doubt—has the same obsession about the B.B.G. and the field of programming, and there are very strong suggestions that the B.B.G. was going to be allowed to go in and make program directions to the C.B.C. Now, I think Mr. Ouimet, this may be a policy thing that the C.B.C. has embarked upon. But I suggest to you that the White Paper nowhere says that the B.B.G. is to take direct command of programming policy by C.B.C. or by private stations. I think you people have a thing about that. Now, that will give you a chance to give us a 40 minute speech but without reference to any specific program.

Mr. OUIMET: Thank you. If you look to Item 12 in the White Paper you will see that the Board of Broadcast Governors would have the responsibility to set the standards of quality and the nature of the service provided by the corporation. It would actually be a condition of licence to the corporation. Now, we take the standards of quality as meaning the standards of taste, of program quality; the nature is to mix the kind of programming we would put on the air. Somewhere earlier in the White Paper there is a clear indication that the Board of Broadcast Governors would set the broad program policies of the corporation; and we say simply that it is not, in our opinion, the best way of achieving the objectives of good public broadcasting, because it is not, in our view, a practical way of working it out.

I must point out that at the time of the troika, you remember the committee of three made up of Dr. Stewart, Mr. Jamieson and myself, we were not too far apart on this point. And, on this, Dr. Stewart went even much further than I did in pointing out the difficulties of having the C.B.C. report to the B.B.G. in any way in the field of programming. He clearly recommended two boards, and went much further than the C.B.C. has gone in the White Paper.

I say that if you read the White Paper carefully, and also take into account the implications of what it says with respect to the Board of the C.B.C.—for example, if I may quote what is written in item 14—I cannot find it. I am looking for the reference to the make-up of the Board of Directors of the C.B.C. where the experience and qualifications in management and in—

Mr. FRASER: Page 16, item 14.

Mr. OUIMET: Is it the second paragraph?

Mr. FRASER: It is at the end of the first paragraph.

Mr. OUIMET: Yes.

> There seems to be no doubt that the corporation will benefit from the advice and judgment of outstanding Canadians chosen mainly but not exclusively for their knowledge and experience of management matters.

In other words, the CBC board is to be chosen mainly for its experience in management matters, while there are two or three places where the responsibility of the BBG in program policy matters is clearly indicated. When we put all this together—and also I had the benefit of some discussion with those who drafted or prepared this White Paper—I cannot take any other interpretation than the one we have given it in making our comments.

Mr. MCCLEAVE: Well, if that is the fact, I do not think that anybody was aware of it. If that is so, then we are in a very serious field. I originally was going to suggest, Mr. Ouimet, that surely the Board of Broadcast Governors was a very general over-all authority who could determine, for example, that there must be so much Canadian program content on either the public network or the private network of television, and things of a very general nature, without directing that the Prime Minister is to appear every Tuesday and the Leader of the Opposition every Thursday, or something like that. Do you think it goes further than very broad guide lines?

Mr. OUIMET: Yes.

Mr. MCCLEAVE: And the B.B.G., for example, would be able to tell you whether to put on a program like "Sunday" or not, and what kind of things should be on "Sunday" or not.

Mr. OUIMET: It is difficult to be specific as to the degree of control that could be exercised in practice. On the other hand, it is a question of responsibility. And I think I would have to ask, or to point out, that whoever is held responsible will be the one that will be deciding. In other words, if such matters as for example, the last "Sunday" controversy are referred to the B.B.G., if this was a matter that the B.B.G. had to look at in order to assess whether it meets the standard of quality referred to in the White Paper, then it would have to make a decision as to whether it does or not. If it makes that decision, then it would have to be responsible, in the future, for the application of this standard of quality in the CBC and the assessment of this. Furthermore, it is pointed out to me that section 12 reads:

> Since monetary penalties would be ineffectual and the suspension of a licence impractical, the corporation will necessarily be required to comply with specific directions by the board in cases of breach of regulations or failure to comply with the conditions of a licence.

The way we see it, the Board of Broadcast Governors could, at the time of the licensing of a CBC station, impose conditions of licence of that particular station, and could specify that certain kinds of programs should be given rather than other kinds; that the emphasis should be changed from what it was before. Now, the minute you get into this thing, you have got the B.B.G. really involved in decisions that it could not make without knowing a great deal about the operations of the CBC, the facilities at its disposal, about its budget, about the

talent that it has to use. It would have to make a great number of judgments in programming which really involve practically every aspect of CBC operation. In order to do this, it would have to keep itself informed and in close touch with CBC operations, and we say you have a division of responsibility there that is unnecessary, and we think unworkable. Now, there is nothing that we would like better than to be wrong in the interpretation we give the White Paper.

Mr. McCLEAVE: Mr. Chairman, I would like to follow this further, but I think there should be a fair flow back and forth between different members, so I would like to reserve the right to come in at a future time but ask one final question. I think Mr. Ouimet feels very strongly about this, and it should give us all cause to pause with respect to the White Papers concept in broadcasting. But would he venture this opinion. Is there any way that CBC and CTV could remain on an equal footing under the Board of Broadcast Governors, whether the board's role is a minimal one in licensing or any broader purposes. Now, is there any way you and the private fellows can sit down side by side, no one at an advantage or disadvantage to the other, under the B.B.G.?

Mr. OUIMET: By the way, we are not looking here for any advantages; but let me point out to you—

Mr. McCLEAVE: I talked about one aspect of it from the CBC viewpoint. Now I want you to put yourself in the position of C.T.V. if you can for a moment, looking at their giant public body.

Mr. OUIMET: Well, we have already agreed to this in our comments, and I woud like to stress this again because this point has been misunderstood, I think, at least judging from some conversations I have had with members of the Committee, during your visit to Montreal, and also judging from some of the press comments. It has been understood, I think, from our strong opposition to certain implications of the White Paper, that we did not want to have anything to do whatsoever with the B.B.G. Well this is wrong. On the contrary, we say the B.B.G. will pass general regulations which will apply to both the CBC and the private sector. We say that the CBC will be licensed like the private stations by B.B.G. We say, and we go further than the White Paper does in this particular respect, that the B.B.G. should be given the responsibility, the full responsibility, for the planning and the administration of the physical structure of broadcasting. They should plan ahead, determine when CBC or private stations should go in various areas; make sure that our spectrum is managed efficiently. Also, we expect the B.B.G. to be the authority that will decide on the affiliation of private stations with CBC as long as private stations are necessary for the national service. So we think this keeps a pretty even and well balanced treatment of the two sectors.

Now, when you come to the detail of assessment of programming, of the merits of the programming of the CBC, we say that parliament has already in the past, and we hope for the future, set up an agency of control of the CBC and that it is the board of the CBC. It is a board, a public board, just the same way as the BBG is a public board. So, if the private stations report to a board, so does management report to a board, in the CBC, it is the same thing.

Mr. McCLEAVE: Could I ask you this Mr. Ouimet, to bring it into another practical area. With respect to the amount of time that could be spent, say in any half hour on commercial advertising, should the BBG be allowed to set the standards there?

Mr. OUIMET: Yes, this is a general regulation. The amount of time on advertising, the Canadian content, anything which applies generally to the stations.

Mr. McCLEAVE: Should the BBG be allowed to set out, for example, how controversial or political topics are covered; that is, the right of fair reply or the right of some kind of reply on contentious issues?

Mr. OUIMET: Yes, anything which the BBG would see fit to put in the form of general regulations, but it must be in the form of a regulation in order that either the private station, or the CBC can operate in accordance with those regulations. It cannot be ad hoc judgments simply based on the BBG's particular opinion of a program. It must be something which can be administered.

Mr. McCLEAVE: What about special statements by the Prime Minister of the day. I know at the time that I was on the other side of the house there was rather controversy about one such statement that was carried by I think, both networks. Should BBG be setting down general directions there, or should it be able to come along and say, "CBC and CTV, we have to have a statement on the financial policy of Canada given by the Prime Minister or the Minister of Finance." Now, do you grant them that right or not?

Mr. OUIMET: On this we grant the right definitely to the BBG to determine those programs which are of national importance. It is in the present act, and we certainly have no reservation about it for the future.

Mr. McCLEAVE: It is sparingly used, I suppose; you have never had reason to quarrel with it.

Mr. OUIMET: No; actually, you know, there has not been that much difficulty with the BBG and the CBC in the past. What we have had made the headlines but I think the relations have been pretty good.

Mr. McCLEAVE: I will leave my football questions until later, Mr. Chairman.

Mr. MACKASEY: Mr. Chairman, I just want to ask Mr. Ouimet how, in view of the fact that the White Paper has made certain commercial responsibilities, you are ever going to live up to the rather lofty ideal of Section 13, the mandate of the corporation, at the same time be expected to compete with private enterprise for the advertising job? I do not know what your views are, but on Section 16 I notice with real horror that the CBC is supposed to retain 25 per cent of an ever growing TV advertising dollar and at the same time show the type of programs that are synonymous with the CBC.

Mr. OUIMET: We share your anxiety completely on this point, and we state pretty strongly our views in our comments. We believe that the objectives of programming as contained in our mandate, which the White Paper accepts without any change, are incompatible with the commercial exigencies which the White Paper envisages also. We feel very, very strongly about this. We think we are being asked to do the impossible, and as long as we are being asked to do the

impossible, we will have a situation of internal confusion with respect to our objectives, with some of our staff feeling that we should go further commercially, increasing revenues so as to produce the kind of programming that particular producers would like to produce; while another group of our staff will think that we are ignoring completely the major aims of the corporation.

Mr. MACKASEY: Is it not a fact, Mr. Ouimet, that to attract this advertising dollar to the CBC, you would have to put on the type of programs that appeal to a mass audience, almost the lowest common denominator type of thing.

Mr. OUIMET: We certainly must maximize our audience in order to sell.

Mr. MACKASEY: In other words, all the prime time must go to this type of programming, which in a sense destroys the mandate of the CBC.

Mr. OUIMET: This is the situation we have now, not completely. I would say that we are 90 per cent there right now.

Mr. MACKASEY: Would you say then that if the White Paper carries out the recommendations here that you will be even further—

Mr. OUIMET: Yes, because in this particular case, we are being asked, in fact, to increase our commercial revenues by some $15 million, I believe, in the next 5 years, when we recommended that we be allowed to freeze it at the present level in absolute terms.

Mr. MACKASEY: In other words, Mr. Ouimet, you are going to have to take prime time which a lot of us think on the CBC should be devoted to thought provoking programs, and you are going to have to schedule you more "Bonanza's" and more Walt Disney's and more of these types of programs if you are going to attract the commercial dollar from the soap companies and the automobile industries?

Mr. OUIMET: You are correct.

Mr. MACKASEY: And, therefore, you are going to destroy the whole concept of CBC television, are you not?

Mr. OUIMET: This is the danger.

Mr. MACKASEY: Well, is it a real danger?

Mr. OUIMET: It is a very real danger. I think we are in danger now. I answered one of the questions that was asked two meetings ago about the Canadian content, for example, between 8 and 10, and I had to give figures which indicated that we were 37 per cent Canadian at that moment. Now, this is better, I think, than CTV does, but it is not good enough.

Mr. MACKASEY: Mr. Ouimet, as long as you have got the limitations outlined in Section 16 of the White paper under the title "Commercial Activities", it is practically impossible for you to increase your Canadian content.

Mr. OUIMET: Right.

Mr. MACKASEY: So this thing is contradicting the White Paper in many aspects. You cannot, in other words, fulfil the mandate of the corporation as outlined in Section 13, and also live up to the commercial activities as outlined in Section 16, in other words.

Mr. OUIMET: This is correct, and before anybody forgets about it, if we do not get the money commercially, then obviously what you are suggesting is that the money to meet the requirements of the mandate has to be provided from public funds.

Mr. MACKASEY: Just to sum it up, Mr. Chairman, if we want the CBC to continue we have to supply the money and not make them rely on commercial advertising. That is the role of private broadcasting not the role of the public. Am I right there?

Mr. OUIMET: You are right as to degree. I would not want the Committee to take from what I say that we are asking to withdraw from the commercial field. We are asking not to be pushed further into commercial activity, and we are asking more than that; we are asking for parliament to reduce the commercial targets that we have to meet.

Mr. MACKASEY: In other words, Mr. Ouimet, you are not just being asked to increase your revenue 10 per cent, but you are asked to go out and get 25 per cent of the total advertising market. In other words, if the private television companies increase their advertising revenue dramatically, you are expected to meet 25 per cent of that picture plus your own objectives.

Mr. OUIMET: We are actually given, in a sense, the same objective as the commercial private stations since we are tied to a percentage of the revenues of the private sector, and this is completely incompatible with our own objectives. For example, if new stations are licensed in Toronto or in Montreal—and stations will be licensed in those cities eventually—all of these will be big stations and will probably bring in $6 million in order to break even. Under this formula, without having another station of our own in those cities, we will have to make 25 per cent of that.

Mr. MACKASEY: The only way you will do it is to develop programs—I should not say for the idiot fringe—for as big an audience as possible in order to sell it commercially?

Mr. OUIMET: We certainly must have a great deal of programming in prime time which will be for the mass audience. Let us not go too far; there is nothing wrong with the mass audience. It is our job to entertain, and when we entertain let us entertain as many as we possibly can. It is a matter of degree. There are some entertaining programs which are not good commercial vehicles.

Mr. MACKASEY: You will not be able to afford those.

Mr. OUIMET: No.

Mr. MACKASEY: And the standard outlined in Section 16?

Mr. OUIMET: That is right.

Mr. MATHER: Mr. Chairman, I had a question I wanted to ask Mr. Ouimet relative to White Paper views and CBC views concerning acceptance of commercial advertising. Having in mind what I believe to be the universal findings of all health agencies which link lung cancer and heart disease with cigarette smoking, also having in mind the fact that the government is spending a great deal of money through the Department of National Health and Welfare to discourage

people from smoking—and particularly young people from starting—my question is, simply, is Mr. Ouimet entirely happy with the situation which finds this other public enterprise, the CBC, accepting cigarette advertising and thereby, presumably, adding to the inducement to people to start smoking?

Mr. OUIMET: This is a question about which we have thought a great deal, and frankly—and I am giving my personal opinion here because I do not have any directive from my whole board on this particular question—I think if there is any institution which should lead the way with respect to cigarette advertising it should be the CBC.

Mr. MATHER: Hear, hear.

Mr. OUIMET: I do not remember how much revenue is involved, but there is a great deal. And there is more than that; I am not too sure that the withdrawal of the CBC from that field would have a very great effect on the total impact of cigarette advertising in Canada. If we have no commercial advertising of cigarettes on the CBC but all the advertising that we now carry is added to what is already present on the other stations, I am not too sure what the effect of that will be.

Mr. MACKASEY: You will have more room for your beer commercials.

Mr. MATHER: Mr. Chairman, my own view is that if the CBC, as Mr. Ouimet says, an important public agency, were to set the example by declining to accept cigarette advertising, this might have a good effect on other media. But my question is, would he be very unhappy if the CBC were to receive a request from the Department of National Health and Welfare that they consider declining to accept cigarette advertising?

Mr. OUIMET: It would not make us unhappy if we had the money to compensate for the loss that would be incurred. If we incur that loss, then some service will have to be cut.

Mr. MATHER: It would be a matter of money, then, rather than a matter of principle?

Mr. OUIMET: I think, as far as the CBC is concerned, the question of principle is not a difficult one to deal with.

Mr. PRITTIE: Mr. Chairman, how does Mr. Mather feel about beer advertising?

Mr. MATHER: Mr. Chairman, this is an odd situation where members are asking each other questions, but—

The CHAIRMAN: Perhaps you would like to take the witness stand, Mr. Mather.

Mr. MATHER: My reply would be that we have organizations in this country to discourage every poor cause and other groups to encourage good ones. My effort at this time is to encourage non-smoking, and I take the opportunity to ask Mr. Ouimet his views on this with regard to cigarettes.

Mr. PRITTIE: You did not answer my question.

(*Translation*)

Mr. PELLETIER: I would like to keep to the question not of tobacco but of the interpretation you gave to the White Paper. What is the interpretation that you gave to the terms of quality standards? That is a passage in the White Paper which has inspired all kinds of comments in the newspapers. Some considered this to be a kind of hidden censorship. Even though it was explicitly stated "there is no question of censorship in this." But when you think about this matter of standards of quality, and when you made those comments on the White Paper I thought of it. What would the CBC authorities interpret quality standards as being?

Mr. OUIMET: I think the term can mean a great many things. It may refer to technical standards to the value of the program, professionally speaking. It may be the execution of the program, the way in which the program is produced. But I think it means standards of good taste expecially.

Mr. PELLETIER: You think that is what it means, do you?

Mr. OUIMET: Whether it means standards of good taste or any other standard, the problem is the same. That is to say, it is a problem of judgment which is involved. You would then have the judgment of a superior authority issuing directives to a public authority that would be subordinate as to the standards of its programs. The problem would be the same. It depends on what you mean by standard.

Mr. PELLETIER: That is what I want to check from your comments, because it is rather difficult to interpret. If I asked you, would you agree that the BBG should define that part of broadcast budgets that must pay for musicians, actors, Canadian performers? Do you think that is something that could come under the authority of the BBG?

Mr. OUIMET: That is not a question of standards, but I am going to reply all the same.

Mr. PELLETIER: It may affect the standards.

Mr. OUIMET: It may affect standards, yes. But it does so indirectly. I do not think, frankly, that generally speaking, another public authority would be better able to determine or decide the proportion of CBC budgets that should be spent on performers. I think this is a practical problem. Everything depends on the operations within CBC, and for the BBG to be able to pass any judgment on this question, the BBG would have to be completely in touch with the operations of a network like the CBC.

This is no longer question of minimums. In the case of private stations, it has been suggested that it was essential to indicate a minimum that each private station should pay to its performers. But the CBC, generally speaking, already pays about $12,000,000 in fees to artists I do not think that when we get figures as high as this, another authority should come into the field and decide whether this is sufficient or is not sufficient. This would be a division of responsibility without any advantage.

Mr. PELLETIER: That is what I wanted to hear you speak on. I know you are well above these questions. You have no objection to BBG minimum standards applying to the CBC.

Mr. OUIMET: No, we have no objection to general rules and regulations. These are regulations applicable to everyone. I feel that if the BBG were to issue regulations applicable to the CBC only, you would be having division of responsibility between two public authorities. And we think this would be neither useful nor practical.

Mr. PELLETIER: When the policies are laid down for broadcasting as a whole, then you have no objections. Whether regulations are for the whole field, all the same, when it is a matter of good taste which is at issue or matters as difficult to decide upon as this, does the CBC feel that the BBG should look into this, either for the CBC or the private stations, without regard for a differentiation between the public and private sectors? Can the BBG come into this field?

Mr. OUIMET: The question of good taste is perhaps less important than the question of what is obscene, profane or illegal. There is in fact a law which deals with this. And I think the interpretation of the laws should be up to the courts, and not up to an administrative body of any kind. The question of good taste would certainly create all kinds of problems. We already are aware that within the Board of Directors of the CBC, there are differences of view every time we discuss questions of good taste. There are some who are more progressive than others, more *avant-garde* than others. Supposing we were to take a vote in deciding on a problem of this nature, after which the General Manager or the Chairman of the CBC would thank his Board and say "Fine, thanks. I have your views on this question. Now I am going to see the BBG and see what they think." There you have another group of men who would give their views, and if their opinions differed from ours you can imagine the confusion that would arise. I think that in all of this the major issue is to find out who is going to be accountable to Parliament in the final analysis. If it is to be the BBG you don't need a Board of directors of the CBC. If it is the Board of directors of the CBC that is going to be accountable to Parliament for its programs then the same body can hardly be responsible to another authority called the BBG.

Mr. PELLETIER: Mr. Chairman, that is just what I am trying to decide and establish but it is not clear to me. I understand it is a very difficult question, I think you are making a great effort to be clear, but it is difficult to be clear.

To the question I have in mind you reply that the BBG is supposed to establish general policies regarding, as you understand it, Canadian content, the minimum to be paid in professional fees, the various proportions within programs that should deal with Public Affairs, *et cetera*. The CBC would then be accountable to the BBG.

Mr. OUIMET: In theory, but not in practice, for the excellent reason that all the general rules that the BBG would make and which would be applicable not only to the CBC but to the private stations would be minimum requirements. In one way or another our own rules, our own standards would demand a great deal more of us than the BBG.

Mr. PELLETIER: So, you see no conflict in responsibility if it is a question of a minimum applicable to the sectors, public and private sectors.

Mr. OUIMET: Generally speaking if there are minimum standards in regard to the Canadian content, if the private stations can provide the minimum, the CBC will have no difficulty in providing as much. There will be no difference of opinion then between the Board of directors of the CBC and the BBC. It is when there is a possibility of conflict where problems of a practical order arise between two public regulatory bodies, as envisaged in the White Paper.

Mr. PELLETIER: In regard to the sponsors, you were saying a minute ago that the broadcaster must have a maximum audience. The sponsor, if I understood correctly, requires that?

Mr. OUIMET: Yes, generally speaking.

Mr. PELLETIER: Generally speaking.

Mr. OUIMET: The broadcaster does not always succeed.

Mr. PELLETIER: True enough. If he does not sell he does not succeed.

Mr. OUIMET: Well he sells his program less readily then.

Mr. PELLETIER: The point is often made—and I have seen it in reports—that the big sponsors can sponsor prestige programs that do not appeal to mass audiences. Is this true to an important degree?

Mr. OUIMET: Unfortunately this is not true to an important degree, no. We are very grateful to sponsors who buy our prestige programs. There are very few such sponsors. Prestige programs are very expensive. Prestige programs cost a great deal more than others, even if we sell them at a discount.

Mr. PELLETIER: It is an exception then.

Mr. OUIMET: It is.

Mr. PELLETIER: If a petroleum enterprise or a car company...

Mr. OUIMET: Well, Canada is a small country and the number of big companies that might permit themselves the luxury of sponsoring prestige programs, is very limited as compared to the number of sponsors who could do the same thing in the United States. And even there, there are not many who do this.

Mr. PELLETIER: So the advertising budget that you have to meet does inevitably affect the quality of your programs?

Mr. OUIMET: Oh, no doubt at all of that.

(English)

Mr. JAMIESON: Mr. Ouimet, I think you know that nobody appreciates more than I the problems of control in this area. I do not, at all, disagree with many of the statements you have made with regard to the complexities and the likely areas of conflict were we to have a super board, I suppose, over a CBC board; we have been through this many times.

I wonder if I could approach my questioning in this way, by asking you, first of all—and I hope that my intentions will become obvious as I go along—that in

terms of the private sector—let us look at them for a moment—you see the BBG having an undoubted right as granted by parliament to impose certain restrictions and regulations and to generally govern the private sector? I take it that this is implicit in what you have said.

Mr. OUIMET: I do not think it is a question of what the CBC believes; it is a question which is really not of the direct concern of the CBC. If you ask my personal opinion with respect to it, I think that a measure of supervision must be exercised over all broadcasters. I have simply said that we have a board that exercises it on the CBC. It is a board appointed as trustees by the government. There must be a similar board that does the work on the private side. You have individual boards for example, the CTV board. When you were in broadcasting you probably had a board that exercised supervision over what management did. But none of these individual private station, or private network boards has any mandate from parliament.

Mr. JAMIESON: This is not an argumentative question. I am not putting it on the basis that there should not be this kind of control. What I am trying to say, however, is this: the BBG, in that position, it seems to me, has to make the same kinds of judgments with repard to taste, or the quality of programming, or the balance of programming, or whatever the case might be, in terms of a private network or stations, as, say, the CBC board has to do, in your concept with the CBC. In other words, it is no less difficult to determine whether an excerpt from, say, W5, or some other public affairs program on a private station, it is no less difficult to decide whether that meets the criteria as laid down, presumably, by parliament and then handed over to the BBG, than it is to make that decision with regard to a CBC show; is it regardless of who makes it?

Mr. OUIMET: No, it is the same problem exactly, whether the BBG does it for the private station, or the CBC board does it for the CBC.

Mr. JAMIESON: So that the question that is really here is not so much one of exercising control; it really points up the extreme difficulties of trying to determine in terms of broadcasting what constitutes, I suppose, in quotes "good broadcasting" or—well I do not even know any other word for it—in other wrods it is the whole area of judgement with regard to quality in programming. It does not have very much to do with who exercises that control. In other words, it is not made any more difficult by a two board structure, or a one board structure.

Mr. OUIMET: Oh, yes; I would say there that there is a difference. It is difficult enough to have a consensus of opinion on a one board basis. I think with two boards the possibilities of conflict—without any assurance of better judgement—are so great as to make it impractical. Mind you, you would not have to prod me very much to have me agree with you that it is difficult for the BBG, or any other board of control—as it is called, for example, in Australia—to deal with such questions with respect to private station operations. I think, from what we have seen in the past of the BBG's operation, there has been a recognition on the part of the BBG that they do not deal with things which are not clearly out of line.

Mr. JAMIESON: I do not think it would be fair to make this as a question to you, and I do not know whether the Chairman will allow an observation—it is more rhetorical, I suppose—but the fact of the matter is that what I am getting at is that we have reached a stage in broadcasting where it is perfectly easy, or relatively easy to control the spectrum; that is, to manage the assignment of frequencies. There are difficulties; but they are not insurmountable. It is reasonably easy to say what is or is not proper within the law; in other words, there are certain things that you can clearly spell out as being illegal. But whether or not it is possible to control broadcasting, in the sense of many of the observations that have been made across the country and before this Committee in recent times, whether this is practical or not, it seems to me, is very much open to question. I do not know of a particular case, as a professional broadcaster, where any board has been successful in terms of controlling—if you like—controversial programming. It may for a time, through the process of public opinion and the like, exert certain restraints on it, but it seems there just is not any way that you can spell this out. I do not know whether you care to comment on that or not.

Mr. OUIMET: Yes; I would say that in terms of the CBC, which is after all one institution, the development of common philosophy with respect to controversial questions should be easier even than it is in dealing with a great variety of individual stations. It should be easier to obtain this. All I am saying—and I am not going any further than this—is that if it is difficult to do it in any case with one board; it is impractical even to try to do it with two boards superimposed over one another. This is the first thing I say. The second thing is if it is difficult for the BBC to do it on the private sector side, it would be even more difficult for the BBG if they had to do both the private sector and the CBC with all the complications with the CBC board.

Mr. JAMIESON: I do not disagree. What I am saying, however, is that what we are really talking about, and what has been bandied around the table for a great length of time, boils down, in the last analysis, for the most part, to a relatively small percentage of programming, and to a particular area of programming. You, yourself have said you had comparatively little difficulty with the CBC. I think the same can be said of the private sector, generally speaking; that is, in terms of the imposition of regulations of general application. But, I think, we may be in a semantics trap here when we talk about control, when really we are talking about the problem of good taste, and of various related aspects of those words.

Mr. OUIMET: I do not know whether this is all that is involved as far as the CBC is concerned.

Mr. JAMIESON: That is what seems to keep coming to the surface, though, does it not?

Mr. OUIMET: That is what comes to the surface generally in parliamentary committee hearings, and so on. But in terms of the responsibilities of our board, for example, this is a very small part of the total supervision and control that we exercise in the operations of the corporation. I will tell you frankly, we are much more concerned with the average quality of a series—whether it accomplishes what it is supposed to accomplish—than we are with an obvious error made by a fallible human being in passing a particular item in a program. Yet, it is these

items that always get the limelight. It is unfortunate to have to say this, but, frankly, we could have a mediocre program for 39 weeks, repeated week after week, and we would never hear anything about it; but we might have a good program that makes one slip in one particular episode, and then, of course, discussion starts.

Mr. JAMIESON: Well, I think that this is the same trap that we may be falling into here, concentrating too much on one point. I wonder, Mr. Chairman, if I might change the subject for a moment, and ask about educational television. I was very interested to hear that the CBC in your brief suggests so strongly that in effect you should be the operating agency—if I am not putting words into your mouth—for educational television across the country. In other words, that these transmitters—if we are talking about the White Paper—that are to be erected, or it is proposed should be erected by the federal government, should be turned over from the technical operating point to the CBC. I take it that this is your view, is it?

Mr. OUIMET: It is, yes.

Mr. JAMIESON: Now, what I wonder about in this regard is that I am satisfied, myself, from a good deal of study on this subject, that actual on-air broadcasting—that is, the use of transmitters on either the V.H.F. or the U.H.F. frequencies—is going to wind up—and certainly the English experience is showing this more and more, and I believe other countries as well, including the United States—as a relatively small part of the whole system of so-called educational television. We are going more into closed circuit, into the 2500 megacycle band, in the techniques which cannot be classed in the normal conventional sense of television. Now, as this grows, and as we get more and more into the complexities of who controls closed circuit, whether this is federal or provincial, and in a score of other ways, I am just wondering whether the CBC, were it to assume this responsibility that you suggest for educational television, would not be placed, in what seems to me to be a tremendously difficult position of trying to maintain a highly complex broadcasting service—in a conventional sense—while at the same time having to develop what might be an equally complex structure to deal with educational television. In other words, is the development in educational television, that we now see ahead of us, such that it could become as big, almost, as the operations of the CBC are today? Because the CBC is in the business of television—that is, in terms of broadcasting for the Canadian public, general interest programming—what is the rationale that says that it automatically is the logical agency to get into educational television?

Mr. OUIMET: I think at the start, before E.T.V. gets to the size that you have envisaged, we—

Mr. JAMIESON: I wonder if I could interrupt to say, do you disagree with what I have said about the size of it eventually?

Mr. OUIMET: No; it may be a very, very large operation, and we do not know at this stage whether it will use mainly broadcasting channels, or whether it will use the equipment of point to point communication by using very high frequencies, as you have mentioned, or whether it will go on cable, and special

kinds of cable which might permit the transmission of a great number of lectures simultaneously. We do not know just how it is going to go. I think that it will make use of many of these facilities. In large cities, obviously, you will find that the use of closed circuit television by cable more practical than in the coverage of large areas.

In rural areas, for example, I can only see broadcasting doing the job. All we are saying is that at the moment the C.B.C. already has been in this position for, I think, 20 years, heavily engaged in school broadcasting, and university broadcasting. We are spending something of the order of $3 million at the moment, doing it. We pay for all the transmission facilities, the transmitters, the network, and also the indirect charges of production. We have nothing to say about the production of the programs in so far as the content is concerned. That is up to the provincial authorities.

Now, at the moment, only two provinces, or perhaps three, are seriously considering getting into a new kind of educational television, which would use U.H.F. or other channels. They want to do a great deal more than we can through our normal network broadcasting facilities. But that is not true of the other provinces that are apparently looking up to the C.B.C. to continue to provide the service they got in the past. Since we are involved in this, since we already have the contacts, we have the facilities, we have the knowledge, we have the technical knowledge, and we have the production knowledge, if anybody wants us to produce anything we are there as an operating agency ready to supply that service at a minimum cost. The setting up of another agency to do the same thing will require the duplication of the know-how that we have already. So, I say that there is no question—at least for the foreseeable future—that the C.B.C. can do this at a cheaper cost than by duplicating with a new agency. Furthermore, since the C.B.C. is going to be in it anyway for many provinces, having the C.B.C. do it for the new ways of transmission by U.H.F. for the richer provinces will match very well with what is being done now. We think there are two agencies in the country competent in that field, the B.B.G. and the C.B.C. The B.B.G. is a regulatory authority. Let the B.B.G. decide what should be done, what station should be established, and all the general regulation framework which will have to be established to govern this very important new development, and let the C.B.C., as the operating body, provide the operations necessary for educational T.V.

Here, I must be very careful to point out to you that we do not envisage any other role except operating the facilities. We have no role in determining what will be transmitted in terms of courses for schools or universities. We might be able to help some provinces who do not have the know-how or money in doing productions for them, but also production to their specification, as we are doing now. I think this is eminently practical, and if in ten years from now E.T.V. is as big as you think it might be, then I think we should look at it to see whether there is any need to change. But, to start E.T.V. on the basis of creating a third public agency, not the B.B.G. not the CBC, but a new one, to me is just complicating the whole set-up of broadcasting in Canada.

Mr. JAMIESON: Mr. Chairman with your indulgence, I just want to make this one point for clarification because I think this is terribly important. Do you

see the CBC carrying programming for educational television on an assignment or some basis where you do not control the content of those programs?

Mr. OUIMET: That is right; we do it now.

Mr. JAMIESON: I understand, but it is a comparatively small part. My fear is—and it is a very genuine one—that far from being an ancillary operation of the CBC, educational television is going to grow. I repeat that it could very badly undermine the CBC's main mandate, if you like, and I am not sure that when the dust settles the CBC is the appropriate agency. In other words, I think, perhaps, we need to look a great deal more deeply into this to determine where the control ought to lie, perhaps, more, for instance, in the hands of professional educators and many others. I pass.

Mr. OUIMET: The control of the content would be in the hands of professional educators. At the moment, we do—I do not know exactly—about 1,000 programs or some thousands of programs a year. This is done by our school broadcasting department without any great repercussions throughout the corporation. I see, simply as a development of this, a larger operating division like the International Service of the CBC, financed separately from the rest and properly equipped to do the job, but being serviced by the engineering division of the CBC or the planning division of the CBC, to make sure the facilities are built in accordance with the needs of the educators. I do not think it would be difficult, and it would help to spread our overhead.

Mr. JAMIESON: I choose to differ.

Mr. PRITTIE: On the same subject, Mr. Chairman, I have quite an interest, as Mr. Jamieson has, in E.T.V. and I think both he and Mr. Ouimet are right. A lot of this will be handled, I suppose, in metropolitan centres, by closed circuit, and that sort of thing. There has been a great deal of talk about education for leisure and adult education, in the future. We do not have anything in Canada, at the present time, compared to some of the types of stations, both on radio and T.V., that they have in the United States which may be centered in a university—strictly educational stations. I wonder if much of the school broadcasting, that is, directed to classes, is handled in one way that there might not be in future the development of stations for, if you like, more adult educational broadcasting and could you not develop something like the B.B.C. has where you have one outlet or network for general interest broadcasting, such as you are trying to do now, and then another one for a more specialized field?

Mr. OUIMET: Yes; all of this is a question of cost, obviously, but one advantage of the CBC operating the facilities to meet the needs of the various educational authorities is that there will be times during the day, probably in the evening, when the courses might not be as numerous as during the day time. We could use these facilities, the unused capacity of the network and the transmitters, at that time to take care of the needs of university groups, adult education groups and so on, more than we are able to do with one set of facilities.

Mr. PRITTIE: I am thinking here of UHF, let us say in Toronto or Montreal where you do not need the facilities, perhaps, for school broadcasting at all. You are doing it by other closed circuit means; but this facility could be strictly an educational one and putting on programs that might one night be of interest to a

fairly small group and another time to another small group, but not interfering in any way with the general interest broadcasting that is carried by the CBC and the private broadcasters, at the present time. I guess I am thinking of something like, you know, the third program idea.

Mr. OUIMET: Yes; but if you are thinking of this kind of programming, you are thinking of programs which we have, to a certain extent, but not enough of, at the moment, in our regular broadcasting. You can imagine, if you had another agency in the field getting engaged in that kind of broadcasting, the possibilities of duplication, of conflict between the CBC and that new agency. We think the proposal to have the CBC do this takes care, also, of this very real danger of conflict in the future.

Mr. JAMIESON: Except, Mr. Chairman, if I may interrupt, you might wind up with ten programming agencies when you get into the definition of education, recalling that it is a provincial field. This is the very thing about which I have been talking. I do not think we should have any pat answers as to who is going to control it because, remember, we are talking about education and we have to have a definition of what constitutes educational programming in this field.

Mr. PRITTIE: Direct to schools.

Mr. JAMIESON: That is the simple solution; that is, in schools.

Mr. PRITTIE: The federal government have carried out adult education themselves.

Mr. JAMIESON: But these are the grey areas that I think are a real problem.

Mr. OUIMET: Mr. Chairman, this grey area would be equally difficult for a third agency as it would be for the CBC. I think you must have sensed from what I have said from the beginning that I feel very strongly that the problem of broadcasting in Canada is that we are making it continually more difficult instead of simplifying it and that is why we are asking not to have a third agency created. We are asking for clearer division of responsibility between the CBC and the BBG. We are asking to avoid duplication of responsibility where one authority would do. It is the same thing in the commercial field. We are asked to compromise so much we do not know whether we are commercial operators or public broadcasters. All these continuous compromises that we have been inserting in our broadcasting system are, in my opinion the cause of most of our problems today; so we should simplify our system, once and for all, looking to the future and not to what we have done in the past.

Mr. JOHNSTON: I have one question which deals with your comment that you are in favour of the CBC board as the board of control and in reply to Mr. Jamieson you said you were interested in the general aim of the program. Mr. Mather raised the question of the CBC being in conflict with the department of health. I would like to raise that question, too, in a slightly different context. We had noticed that the Minister of National Health and Welfare indicated last spring, towards the end of the "Seven Days" controversy that the Department of National Health and Welfare was extremely concerned about the danger of drugs being used by young Canadians, and this is spreading in the country. Yet, in the fall of the year when the "Sunday" program came on we had a program

presented by the CBC which was built entirely around and advertised around what they called the psychedelic experience and there was a very direct relationship between this and the very sort of thing which the health ministry was endeavouring to reduce the danger of in the country. I was wondering how this could happen if the CBC board of control was adequate there?

Mr. OUIMET: I think there you are equating the use of the word psychedelic with the actual showing of the use of drugs. The program in question did not deal with drugs in any way; all that was said was that it was similar to psychedelic experience. In other words, that it would enhance experience, but I do not see that the use of the word would have pernicious effect by itself. I do not think too many people think of the word psychedelic purely in terms of use of drugs.

Mr. JOHNSTON: It was not quite as pure in a sense as that because it did have people like Mr. Ginsberg on who, of course, advocated it, not on the program either.

Mr. OUIMET: Yes, but that had nothing to do with psychedelic.

Mr. JOHNSTON: Oh, yes, very definitely. This is the point I am concerned about. It did and it does. This is the danger, and yet this sort of thing does slip through at the present time. I do not know whether you are concerned personally or whether the CBC board of control is concerned, but I think Canadians are concerned about it, and they should be. We should be concerned about it and the ease with which this sort of thing about which the department of health is concerned slips into the programming of the CBC.

Mr. OUIMET: I do not think, Mr. Johnston, that all the programs which the corporation has made in the past or will make in the future will manage to satisfy the various personal criteria which may be applied in judging these programs. I have already mentioned, in the case of the program "Sunday" to which you are referring, that I thought that one of the items was not presented in a way which was in accordance with our policies but to say that the presentation of fairly far out items—non-conventional ones—modern approaches to various problems, avant garde poets and so on, is necessarily something to be prohibited on the corporation; I do not think so. At least, that is not the impression I had when I appeared here in May. I had a totally different—

Mr. JOHNSTON: I realize that, but you did not get it from me, though, I do not think.

The CHAIRMAN: Mr. Johnston, I do not want to downgrade the need for concern about such things in the CBC or the concern there is in the Department of National Health and Welfare about drugs, but I think the record should be corrected. If my recollection is correct the evidence before the Health Committee was quite the opposite. There was not an increase in the use of drugs by young people in Canada. I would not want to leave the impression there was a report of an increased incidence in the use of drugs by young people in Canada.

Mr. JOHNSTON: That certainly is not what I said nor what I intended. What I said was that they were very concerned about the spread of it and the advertising of it on this particular program. I could spell them out for Mr. Ouimet, a whole variety of incidents of individuals on the program, right down to last

week. I know they dropped the psychedelic bit with the flashing lights and all the rest of it but we still had the Loving Spoonfuls on.

Mr. OUIMET: The what? I missed it.

Mr. JOHNSTON: The Loving Spoonfuls. This gets terribly involved, you see. They obtained the title of this particular group or combo of musicians who were on as a direct reference to the drug traffic and the use of drugs, the very name of this particular group, and this is common knowledge throughout the continent, as a matter of fact, yet they appeared just last Sunday on the program. The whole thing has been shot through with this continual reference to the use of drugs in present day North America.

Mr. OUIMET: Should we judge our musicians by the music they play rather than by the name they have?

Mr. JAMIESON: I think you had better withdraw that.

Mr. OUIMET: By the way, I do not know which ones are women. We just introduce them, I am sorry.

Mr. JOHNSTON: Yes, they did not play; we did not even have the music; we just had the individuals but, the point I am getting at is that when you said you were concerned about the general aim of the program and this program has consistently shown, I should think, a disregard for the aims of the Department of National Health and Welfare in this area, and I find it difficult to reconcile it with your earlier statement that the CBC board of control was the board who would have to make the decisions.

Mr. OUIMET: I do not think we have disregard for whatever directives the Department of National Health and Welfare might have given in this field. I do not think so, at all. There might be some question whether some of the things we did were too psychedelic or too advanced for good taste, but I am not ready to judge this program at this moment in a critical way. It is a new program; let us give it a chance to develop. I think it is much too early to criticize it except on obvious things. There are a number of controversial things that are done in magazine type of programming and we find to our confusion, I must say, that there are many different opinions on what we should or should not do. You present one opinion; I have heard so many other opinions from this same Committee that I do not know which one, really, I should be guided by.

Mr. JAMIESON: It is going to be a long trip.

The CHAIRMAN: I think, Mr. Ouimet, Mr. Johnston's point is not one of criticism of this particular program but rather the basic question of whether or not the CBC board of directors is a competent body to make such a judgment, That really seems to be the basic question.

Mr. JOHNSTON: Yes; whether the board should be broadened or narrowed or changed over or restructured in some way so that, perhaps, there will be a closer check.

Mr. OUIMET: I think we have a very representative board in terms of the various current opinions in the country; in terms of the various regional viewpoints, I think it is very representative. It could be enlarged. We have 11 members. We have suggested that it be increased to 15.

The CHAIRMAN: Did you have a brief question, Mr. Mackasey?

Mr. MACKASEY: I think Mr. Fairweather has a question.

Mr. FAIRWEATHER: I just had a supplementary. Would you think that this very discussion, and the ones we have had in the last year, point up the very grave difficulty that a parliamentary group—parliament or committee of parliament—would have in setting standards of taste and quality and all the other words that are used. I do not, for one second, think this is what I was sent here for.

Mr. OUIMET: I think that the business of broadcasting, the meeting of the public aspirations and needs is a very, very complex matter which should be entrusted to trustees, the best possible trustees which parliament can find. I think this is the board of directors of the CBC for the CBC. The best way to do the job is to make sure you have the best possible men and women on that board, and then to give that board a very large measure of delegated authority.

Mr. MACKASEY: Mr. Chairman, I had wanted to ask Mr. Ouimet about the FM programming because I am getting more and more letters of complaint about the general standard of FM programming, particularly in the private sector but also on the CBC; that it has deteriorated quite a bit. Perhaps you might have a comment on this?

Mr. OUIMET: I did not know that there had been any deterioration in the private sector side. I thought they had done fairly well, as a matter of fact, over the years in FM. I thought they were ahead of us. We have had many other obligations to meet and we have, I think, not started to do the full job, yet, but we are getting at it. We have a plan for the next five years, we are providing at least the estimates to parliament, and we hope that the money will be voted which will enable us to do more.

The CHAIRMAN: Gentlemen, we hope to have Mr. Ouimet back near the end of our hearings on the White Paper. Meanwhile, thank you very much, sir, for coming again.

The next meeting will be at 9.30 on Thursday morning. We will be welcoming the Chairman of the Board of Broadcast Governors, Dr. Andrew Stewart, who is here with us tonight as a spectator. We will welcome him again on Thursday morning.

Mr. MACDONALD (*Prince*): Mr. Chairman, can we sit longer than 9.30 to 11 on Thursday? We hardly get rolling and then we have to wind up and dissolve the meeting.

The CHAIRMAN: The difficulty is that there are other committees which have to meet the same day. If you would prefer to meet at 9.00 o'clock and if Dr. Stewart could be available for 9 o'clock rather than 9.30, I think the room would be available.

Mr. PRITTIE: There is another question I think we should consider when we are thinking about who is going to appear before the Committee. We have heard the CBC board of directors mentioned many times. I have never met any of them and without any disrespect to Mr. Ouimet, I would like to hear sometime from a layman of the board, not a professional broadcaster. Maybe ex-members

of the board might be the best people to call. I do not know but I think we should consider how these people see the function and that sort of thing.

The CHAIRMAN: Perhaps that is something the steering committee could take under consideration.

Mr. PRITTIE: It is the laymen who come from across the country who I have in mind, whose viewpoint may be a little bit different from that of the professionals we hear from time to time. I think Mr. Ouimet has a comment here.

The CHAIRMAN: Is it agreed that the Committee will meet on Thursday morning at 9 o'clock instead of 9.30?

Some Hon. MEMBERS: Agreed.

APPENDIX 12

STATEMENT TO PARLIAMENTARY BROADCASTING COMMITTEE *RE* CBC TELEVISION COVERAGE EXTENSION

Mr. Chairman, at your last meeting Mr. MacIntosh asked if the Corporation would summarize its plans to bring television to areas presently without television service.

First, the Corporation does have a concrete plan which it has been following for several years and which has made Canadian television available to 95 per cent of our population.

Two years ago we were adding new television transmitters in unserved areas at the rate of about six per year. Today we have accelerated this pace to a rate of 12 new stations a year.

Our objective for the next two years is to further accelerate the program to not less than 20 new TV transmitters per year.

Today there are 108 locations (93 English, 15 French) in Canada with a population of 500 or more which do not receive television. 43 of these locations (37 English, 6 French) can best be served by the frontier television package which we described to the Committee at earlier meetings. If this experimental package is successful, as we have every reason to think it will, the Corporation's plans call for television to be established in all of the 108 locations within five years, with most of the installations completed before the end of 1970.

The success of this planned program is, of course, conditional upon the required funds being made available to the Corporation.

In terms of television, the capital costs are not high. We estimate that we can install the appropriate transmitters at all 108 locations for a total capital cost (in 1966 dollars) of beween $18,000,000 and $19,000,000.

However, the major financial factor is the annual operating cost of the stations once they are established. These will increase annually as new transmitters are built. When all 108 transmitters are operating it will mean an increase of about $4,000,000 per year in our annual operations budget. This figure will of course be reached gradually over a five-year period.

The operating cost figure just mentioned is, of course, calculated on the basis of the conventional methods of program distribution currently in use. The advent of program distribution by means of space satellites could possibly result in a substantial reduction in the annual $4,000,000 figure.

There are a number of points which must be borne in mind in connection with the figures I have given.

In the first place, the total of 108 locations are those presently without any broadcast TV service. It envisages only service in the official language of the majority where this is applicable.

In the second place, different priority criteria will, of necessity, apply to the isolated locations to be served by the so-called frontier package and to those to be served by more conventional transmitters. The reason for this is that the capital and operating costs of the frontier package units will be uniform, irrespective of location or of the number of people to be served. In this respect it is comparable to the low power relay transmitter widely used in radio and, like the LPRT, the frontier unit in TV can be produced and stock-piled in advance.

However, in locations where the terrain or the population dispersal makes use of the frontier unit impracticable, coverage has to be custom-made for each place, as is presently the case. Thus, the tower and antenna must be individually designed and manufactured to particular specifications.

As a result of this difference between the frontier unit and the conventional station it will be possible to proceed with establishment of the frontier unit, in the 43 isolated locations where it can be used, strictly in order of population size, since population is the only variable involved. In the 65 other locations concerned the cost per capita formula that we have used in the past will continue to apply. That is, the cost of the proposed installation (different in each case) will be related to the number of people to be served. This formula establishes an order of priority which is weighted by a consideration of geographical and official language distribution. In other words, while using the cost per capita formula we would try to avoid having all installations in one province or one language in any given year.

The final caveat in connection with this five-year plan to serve 108 areas presently unserved is that our plans to ensure that Canadians receive television service in the official language they habitually use will be going forward at the same time. In other words, the needs of French-speaking minorities in predominantly English-speaking areas, and vice versa, will not be neglected.

In all, CBC planning lists cover almost 180 population concentrations of 500 or more which either receive no broadcast TV at all (108 locations) or which do not receive it in the official language they habitually use (72 locations). Up to now we have carefully refrained from making these lists public because they are, of necessity, still tentative and are subject to change in the light of field tests which must be made before final priority decisions can made. The preliminary list are compiled from coverage maps on which contours are theoretically calculated and on DBS Census figures. Before making a firm decision to go ahead and apply for a station in a particular place it is essential to check out each location on the spot to determine how much local terrain and other factors (such as local man-made interference) affect the calculated contours. Such variables can greatly affect the design and costs of a television transmitter and its associated tower and antenna. And, since these costs are one of the two elements in the cost per capita, the final determination of local conditions could seriously alter the originally estimated cost and, thus, the location's place in our priority list.

In order to keep interested organizations and persons as up-to-date as possible on its planning, the Corporation will in future announce its coverage

plans on a semi-annual basis as items are checked out and approved and funds become available.

Since what I have been talking about is rather complex I should, perhaps, in concluding make clear to you the principal ways in which TV coverage can be extended:

(1) The use of network relay transmitters. These can only be established in areas to which it is physically and financially feasible to extend microwave network service.

(2) Rebroadcasting transmitters, which pick up and rebroadcast all programs broadcast by a mother station. Such rebroadcasting stations usually have to be within 50 miles of the parent station, the exact limit depending upon terrain and the power of the parent station. The Corporation as of March 31, 1966, was operating 33 rebroadcasting stations and privately-owned stations affiliated with CBC were operating some 120 rebroadcasting stations.

(3) Rebroadcasting stations served by means of CBC recorded programs, such as those now operated by the Corporation in Flin Flon, The Pas, Goose Bay and a number of other locations.

(4) The Corporation has recently encountered still another situation. There appear to be a few areas where it may prove in the public interest for the CBC and a privately-owned affiliate to co-operate in the establishment of a rebroadcasting station. The Corporation is now exploring this situation. Last week I outlined some of the difficulties inherent in this kind of operation, but I would like to stress at this time that if there is no other way of providing service, and providing necessary safeguards can be established, the Corporation will consider a change in its present policy to make possible such arrangements. It is our intention to work closely with the BBG and affiliated stations to determine the feasibility of this proposal as advanced by Mr. MacIntosh.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament
1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 31

THURSDAY, DECEMBER 15, 1966

WHITE PAPER ON BROADCASTING (1966).

WITNESS:

Dr. Andrew Stewart, Chairman, Board of Broadcast Governors (BBG).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25486—1

STANDING COMMITTEE
ON
BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),
Mr. Basford,
Mr. Béchard,
Mr. Brand,
Mr. Cowan,
Mr. Fairweather,
Mr. Hymmen,
Mr. Jamieson,
Mr. Johnston,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
Mr. Macquarrie,
Mr. Mather,
Mr. McCleave,
Mr. Munro,
Mr. Nugent,
Mr. Pelletier,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Simard,
Mr. Stafford—(25).

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, December 15, 1966.
(49)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.20 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Asselin (*Charlevoix*), Béchard, Cowan, Fairweather, Jamieson, Johnston, MacDonald (*Prince*), Mather, McCleave, Munro, Nugent, Pelletier, Prittie, Sherman, Stanbury—(15).

In attendance: *From the Board of Broadcast Governors* (*BBG*): Dr. Andrew Stewart, Chairman; Mr. Pierre Juneau, Vice-Chairman; Mr. David Sim, Member.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

The Chairman welcomed Messrs. Stewart, Juneau and Sim and then called Dr. Stewart.

Dr. Stewart made a statement commenting on the White Paper on Broadcasting and reviewed the action which the BBG has already taken in carrying out its functions under the Broadcasting Act and in anticipation of new legislation.

Dr. Stewart was examined on his statement and supplied additional information.

The examination of Dr. Stewart still continuing, at 11.0 a.m., the Committee adjourned until 9.30 a.m. on Tuesday, December 20, 1966.

M. Slack,
Clerk of the Committee.

25486—1½

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, December 15, 1966.

The CHAIRMAN: The meeting will now come to order, please. This morning, I would like to welcome the Chairman of the Board of Broadcast Governors, Dr. Andrew Stewart, vice chairman, Mr. Pierre Juneau and the third full-time member of the board, Mr. David Sim. Dr. Stewart will make a presentation to us and then he will be happy to answer any questions. Dr. Stewart.

Dr. ANDREW STEWART: (*Chairman, Board of Broadcast Governors*): Mr. Chairman and members of the Committee, I am pleased to have with me the vice Chairman, Mr. Juneau, and the third full-time member of the board, Mr. Sim, to support me in this presentation to you. We are all in your hands.

We have prepared at the Chairman's request a statement which I hope is not too long and we would like to go through this with you before dealing with your questions.

As you know, there are 15 members of the board, the three full-time members and 12 part-time members and in discussions in the board on the White Paper, the board decided not to attempt to express a collective judgment on the White Paper or on any part of it, for your Committee. They did wish that on your call the full-time members would appear before you in order that we might assist in exploring the matters which are dealt with in the White Paper.

Canadians live close to their radio sets and their television screens, and their relations with the media are very intimate. I think this is evident in the strong reactions which they display to what they see and hear. I am reminded of a description of broadcasting which was made by the President of the Columbia Broadcasting System some time ago, when he said it was captious, carping, cantankerous and controversial, and this seems to be the atmosphere in which we have to work. People as audience react differently to the signals and messages on the radio and television and there seems to be no homogeneity in the public as audience. This is not only true of the public at large, but I think inescapably it is also true of any group of representative Canadians with respect to the media, whether it be Parliament itself, I suspect the Parliamentary Committee, the directors of the CBC or the Board of Broadcast Governors. The reality of diversity not only complicates the role of the broadcaster who has to try and operate in this situation, it also complicates the task of those who have the responsibility to interpret the public interest in setting the framework in which broadcasters may operate. We would ask you not to expect complete unanimity among the members of the board, more than you would expect it among yourselves. I would not like this to be interpreted as implying that we are always in sharp disagreement, but I would think on any matters, if individual members

of the board were before you and you were pursuing particular points with them, in depth and in detail, you would arrive at differences in nuances in what they had to say about things.

It is our view that there are probably many different arrangements for the regulation and control of broadcasting in the public interest which might, in practice, work reasonably well. The board sees the White Paper on Broadcasting as a significant attempt to devise for the regulation of broadcasting, workable arrangements. It is our view, after some years in this field, that the workability of any arrangements depends on a clear appreciation of the procedures to be followed in the decision making process, and we do have some questions with respect to particular parts of the White Paper to which we have tried to address ourselves, and to which we would like to direct the attention of the Committee.

Members of the Committee might be interested in knowing of action which has been taken by the board in carrying out its functions under the Broadcasting Act and in anticipation of new legislation. In what follows immediately, the headings, in fact, refer to portions of the White Paper.

Section 8 in the White Paper, under the heading Ownership of Canadian Facilities, refers to multiple ownership, cross-media ownership and non-Canadian ownership in broadcasting. The board has recently sought the advice of a research organization with a view to developing a planned program of research into multiple ownership, cross-media ownership and perhaps other structural features in Canadian broadcasting which might have an effect on the availability and flow of information in the broadcasting media.

There is a reference on page 11 of the White Paper to the profit potential of stations and regulatory procedures with reference to this. The board has entered into an agreement with a firm of chartered accountants with the objective, among other things, and I quote from the agreement:

> ...to review and analyze the financial operating results of the privately owned Canadian television stations and C.T.V network, so as to provide financial and operating information in a form which will be useful to the board in assisting the operations of the stations.

I should say that we do get, on a regular basis, annual financial returns from the stations, but we think that this audit will be helpful to the board.

On page 10, under the section on the structure on broadcasting, there is a reference to alternative television service and in the comments, which we will make later on the White Paper, we refer to the support which has been given by the board in recommendations which have already been made with respect to the policy of providing alternative television service, which is described in the White Paper as "an amenity now regarded as almost a necessity of life", through extension of repeater facilities of the CBC.

The board announced on October 5, 1966, that it would be ready to receive applications for second Canadian television service after February, 1967. In the meantime, we have engaged the services of consultants in undertaking an analysis of the markets which are now serviced by one Canadian station and which are therefore the markets in which alternative television service will be provided.

In a further section of the White Paper, on page 10, there is reference to the ultra high frequency band. The board held a special public hearing on October 25 and 26, 1966, on the general subject of the opening up of the UHF band for television service. In the subsequent announcement in November, the board said:

> It is evident to the board from the submissions it received at the public hearing, from educational authorities with respect to educational television, from the Canadian Broadcasting Corporation with respect to the national broadcasting service, and from private commercial broadcasting, that the public interest can be served by early utilization of UHF channels in a number of locations.
>
> The board therefore recommends that the Minister of Transport should now accept applications involving the use of UHF channels, and should forward these to the Board of Broadcast Governors as required by, and for the purposes set out in, Section 12 of the Broadcasting Act.

I believe the same announcement referred to the opening up of the two major metropolitan centres, Montreal and Toronto for additional service, and these are already served by two or more stations. The board has had a policy which has been in effect since the start of the hearings and the licensing of second television stations in 1961 of not hearing applications for additional stations. The announcement indicated that we would not hear these until a change of policy was announced. Following the public hearing in October the board announced:

> The board is advising the Minister of Transport that, also after February, 1967, the board will be prepared to hear any applications for additional television licences in Montreal and Toronto, and to recommend on them.

We are preparing an announcement which will indicate that the earliest date on which hearings on additional applications for Montreal and Toronto would proceed is June of 1967.

The White Paper notes that we are approaching the time at which signals will be distributed by space satellite and the board has announced a public hearing for March, 1967, on a proposal which involves operating a coast to coast network of stations through a space satellite.

With regard to the section of the White Paper dealing with educational television on page 12, the Vice Chairman of the board has engaged in discussions with provinces in this connection with a view to implementing the policy outlined in the White Paper for the development of educational television.

Finally, in a general way, steps are being taken to enlarge the establishment of the board and to develop the necessary expertise to meet the intentions of the White Paper in such areas as those of research, information on programming and on the wire systems or community antenna television systems.

Mr. Chairman, having reviewed these activities of the board, the remainder of our statement involves comments on the substance of the White Paper. The section of the White Paper on page 7 under "Public Control of Broadcasting" and the sub-heading "General Principles", draws a very important distinction between responsibility for the physical structure of the broadcasting system and

responsibility for programming and the first part of our statement has reference to the physical structure of the system and the later part deals with the matter of programming.

With reference to the physical structure of the system there are three quotations from the White Paper which I think perhaps you might allow me to read, because they point up the particular points which we think are significant. From page 8 I quote:

> In the new legislation, Parliament will therefore be asked to authorize the Governor in Council to give formal directions to the regulatory authority, dealing with the structure of the system, which may then be put into effect after suitable public discussion.

The quotation from page 9 simply restates this:

> ...authority will rest with the Governor in Council to give formal directions to the board on the over-all pattern of coverage to be followed;...

So the pattern of coverage is the structure of the system. From page 7 I quote:

> ...since the coverage of the national broadcasting service must be provided by the public element...the physical structure of the system as a whole is a matter for the government, which is responsible to parliament, to decide.

May I refer back to points which we make in the introductory paragraphs, where we say:

> ...it is our view that the workability of any arrangements depends on a clear appreciation of the procedures to be followed in the decision-making process,...

There are certain questions in our minds with respect to the procedures by which the policy of direction by the Governor in Council to the board would proceed. First of all, how will the Governor in Council arrive at the directions? On what information; on what advice?

Secondly, how will the cabinet convey its formal directions to the board? Linking this with paragraph 3 of the White Paper with reference to the words "suitable public discussion" what arrangements will be made for public discussion of such directions which initiate from the Governor in Council?

Further, under discussion generally of the physical structure of the system, we wish to repeat a point which has been touched on in reviewing the activities of the board, particularly with respect to the alternative television service. This is, of course, not the only area of decisions affecting the physical structure, but it is a point on which we want to put some emphasis. The extension of alternative television service affects the structure of the system. This matter is touched on in the first paragraph of page 10, but in our reading of this section, the policy with respect to alternative service is not clear. The board has recommended that extension of alternative television service should proceed through rebroadcasting

or repeater facilities of the public service. In its public announcement of October 5, the board said:

> It will be the policy of the board in dealing with the extension of alternative television service to do so in a manner which will not prevent or seriously endanger the realization of the ultimate pattern of a CBC outlet and a private outlet wherever alternative service is available. It is the opinion of the board that the best long-run pattern of alternative television service is a combination of a public broadcasting station that is an outlet of the CBC carrying the CBC national network service, and a private broadcasting station, that is a privately owned station carrying the private network service.
>
> The White Paper does not exclude the ultimate establishment of such a pattern. The immediate reservation of channels for the CBC in Victoria, Saskatoon, Sudbury and Saint John-Fredericton is a move in this direction. The establishment of outlets in these four centres may be as far as the CBC can go in the immediate future. In its approach to the licensing of second, privately-owned outlets, the board will be concerned to put no permanent obstruction in the way of achieving the most desirable long-run pattern of alternative television.

That ends the quotation from the board's announcement. Still further, with reference to the physical structure of the system, we would like to raise a point with respect to the difference between the public element in the system and the private element. It seems to us quite clear that the government, on behalf of parliament, must decide on the physical structure of the public part of the system, which involves capital expenditures of public funds. The necessity of the government making decisions with respect to the structure of the private element is less clear to us. We suggest that, given the principle that the public element should predominate, which is a principle endorsed in the White Paper, and policy directions on the expansion of the CBC, the growth of the private element could proceed on the basis of the capacity of private investors to provide this service subject always, of course, to the conditions and regulations of the board.

I turn now to refer to the general principle with respect to programming and some aspects of it. I quote from page 7 of the White Paper:

> It is almost universally recognized that the regulation of programming must be entirely and demonstrably free from improper influences and pressures, and can therefore best be delegated to an independently constituted authority which is not subject to any form of direction in that regard.

And again on Page 7:

> These fears can best be dispelled by providing statutory machinery which distinguishes clearly between the total delegation of authority over programming on the one hand, and ultimate authority over the structure of the system on the other.

With respect to this, and with emphasis on the words "total delegation of authority", we would wish to be sure that the implications of total delegation of authority to some independent body are fully understood.

With reference to this exercise of authority over programming, the manner in which the board, as the independently constituted authority, might exercise its authority in program matters as outlined in paragraph 7 on page 10, under the heading "Programming", this section provides for three means of control or regulation by the board. First of all, general regulations applicable to all broadcasters alike; secondly, regulations differing between stations or groups of stations—for example, on the basis of profit potential and in relation to this, the words "regulatory requirements" are used; thirdly, through conditions on the licence which might be different in any particular case, or might be the same for groups of similarly situated stations.

It is our view that the authority conferred on the BBG should be wide enough to permit the use of all these three means in the manner and under the conditions which the board finds appropriate.

We note in the following section with reference to network operation that the White Paper says, to us, surprisingly little about the operation of networks, which can have a very significant effect on programming of stations in relation to the national purposes or more specifically, the most important objective of national policy which is described as being "to preserve and strengthen the political, social and economic fabric of Canada" on page 5 of the White Paper.

In the concluding section dealing with authority over programming in the public service, we have four quotations. They are of some length, but I would like to read them into the record at this point because I think they are highly significant. On page 8 we read:

> The Canadian broadcasting system, comprising public and private sectors, must be regarded as a single system which should be regulated and controlled by a single independent authority. It is therefore proposed that the powers and authority of the Board of Broadcast Governors, which require extension and clarification, shall be applicable to all broadcasters alike, and that the board itself shall be reconstituted. The government does not concur in the recommendation of the Advisory Committee that the regulatory authority should be responsible for management of the Canadian Broadcasting Corporation. However, the legislation will make it clear that the corporation will be subject to the regulatory power of the Board of Broadcast Governors in all matters affecting general broadcasting policy in Canada.

And then on page 15:

> The new legislation will establish that the Canadian Broadcasting Corporation, as the public component of the national broadcasting system, will be subject to regulation and control by the Board of Broadcast Governors, and that the standards of quality and the nature of the service provided will be a condition of the licences granted to the corporation. Since monetary penalties would be ineffectual and the suspension of a licence impractical, the corporation will necessarily be required to comply with specific directions by the board in cases of breach of regulations or failure to comply with the conditions of a licence.

And then on page 16:

> —under the new legislation, some broad areas of broadcasting policy which may now be within the competence of the board of directors of the corporation will henceforth be subject to regulation by the Board of Broadcast Governors.

And then on page 12:

> The board will not, however, be empowered to give directions other than by generally applicable regulations or in the conditions of a licence, to any broadcaster in respect of specific programs.

Mr. Chairman, in reviewing these quotations, it appears to us that considerable clarification of the decsion-making role of the Board of Broadcast Governors on the one hand, and of the directors of the corporation on the other is necessary in translating these general propositions into legislation which will avoid conflicts of jurisdiction between the two public agencies. This is the submission of the board.

The CHAIRMAN: Thank you, Dr. Stewart.

Mr. PRITTIE: The very last paragraph in the submission of Dr. Stewart raises the question which Mr. Ouimet also raised, namely, how much authority the BBG would have over the CBC. I am not going to go into that subject in the time I have available, Mr. Chairman, because I am sure other members will do it. I will restrict my questions to the exercise of authority over programming in the private sector. There has been some dissatisfaction with that and with the performance of TV stations in the private sector. At the time the Fowler Committee was holding its hearing the Canadian Association of Televison and Radio Artists put in this brief, which I am sure you have all seen, and it gave a pretty extensive list of the log of the various TV stations in the main cities and how their performance fell far short of what they promised to do concerning both Canadian content and employment of Canadian people in broadcasting. This was pointed up too in the report of the committee itself. I am quoting from the Report of the Committee on Broadcasting of 1965, page 107.

> In fact, the program performance of the private stations—in particular the second television stations—bears very little relationship to the promises made to the BBG when the licences were recommended. Undertakings given to obtain the grant of a public asset have largely been ignored, and the program performance has generally fallen far short of the promises made.

It goes on to say:

> The BBG has been powerless to deal with this default, and has had to wait until the terms of the licences expired before raising in any effective way this failure of the private stations to live up to their undertakings. Now that the original licences are approaching the end of their terms, there is a considerable scurrying about by the operators, and some of them have announced their intention to produce some better programs of a public-service or cultural type.

The same concern has been expressed by some questions put on the order paper in the House of Commons and by comments of TV columnists. I would like to ask Dr. Stewart if the Fowler Report is correct in saying that you have been powerless to deal with this in the past. Is there anything in the White Paper which would suggest that you would be in a better position to require the type of performance promised by broadcasters when applying for licences.

Mr. STEWART: Yes. Mr. Chairman, may I say in introduction that the past history is a matter in which, of the three of us, the Chairman alone must take responsibility because Mr. Juneau and Mr. Sim are only recently members of the board. But the answer to your specific question I think is, yes. The White Paper provides that the board will become, in fact, the licensing authority. As we interpret the procedures here, applications for licences would be received by the board; whereas at the moment they are received by the Department of Transport. The board would then refer the application to the department in order to have it cleared and the technical requirements would still remain the responsibility of the Department of Transport. But if applications were cleared by the department, then the board would have the authority to proceed with the public hearings and to determine whether the licence would be issued; I think only in the case of new licences, subject to the approval of the Governor in Council. We support this last condition.

This would very clearly strengthen the position of the board because at the moment the Minister of Transport is the licensing authority and the board is not, so there is a complete change here. In the past, the difficulty—I think it is a legal difficulty though it may be partly just a practical difficulty—has been that the Department of Transport, being the licensing authority and being responsible for the technical aspects of broadcasting, have been quite willing to administer conditions of the licences referring to technical matters; that is, is it operating at the power for which it was licensed? Is it operating under the specifications? They have been very reluctant, as the licensing authority, to put conditions on the licence which deal with programming, and when we have attempted to do this it obviously created a certain awkwardness between ourselves and the department. But if the board were the licensing authority it would be very simple for the board to place conditions on the licence and then to administer these conditions. I would not like to say how extensively the board would wish to impose conditions on the licences because of rigidity but nevertheless it would be very much more simple if not legally more acceptable under the conditions proposed in the White Paper.

Mr. PRITTIE: May I ask if this has been the case in the past few years concerning the private television stations? Let me put it this way, were you rather easy on them in the first few years of their earnings, because you felt they may not have been able to do the things that they promised to do concerning Canadian talent, Canadian content.

Mr. STEWART: The brief answer is, yes. If you want me to elaborate on it I can do that. Yes, this is so.

Mr. PRITTIE: I notice in the last report of the BBG for 1965-66 you give the over-all figures for the private TV stations in Canada as an aggregate total

revenue of $68.9 million and aggregate total profit of $13.1 million. Then you mention the nine major market stations which have aggregate net operating profits of 79.7 per cent in 1965 over 1964. With new powers then, and the proof apparently that the stations are in a profit making position, you would be prepared to demand more of what they originally promised?

Mr. STEWART: Yes, that is correct.

Mr. PRITTIE: I see.

Mr. STEWART: I am not sure more than they originally promised. More than the immediate—

M. PRITTIE: All right. Thank you.

In the White Paper on page 14, Section 11 says:

> The Board of Broadcast Governors will be empowered to inflict monetary penalties for breaches of regulations or failure to comply with the conditions of a licence; in the latter case there will also be power to suspend or revoke a licence. The legislation will also provide for appeals to the courts, on questions of law but not of fact, against any decisions of the board.

I have a rather practical question that I want to ask here. When someone has invested money in a private television station it is usually quite a lot of money, and while it is true they are using public air, public channel, it is still quite an investment and I imagine they have a proprietary interest in that after a period of time. Do you think in practical terms the board would ever act to really discipline such people. I know you did it once or twice in radio and I am thinking of CJOR. If I am not mistaken the board ordered that the transfer of shares take place from one owner to another. Could you see yourself in the future doing this for a TV station in Toronto, Montreal or Vancouver if they had not lived up to what they promised to do.

Mr. STEWART: Yes, I can see it might be possible.

Mr. PRITTIE: Despite a very large investment?

Mr. STEWART: Yes. You have to have in the end effective means of enforcement and provided that these are available to the board I can easily conceive the position arising in which the board might have to exercise its full authority to enforce its conditions regardless of the consequences.

Mr. PRITTIE: Mr. Chairman, I just have one or two more questions. I attended the hearing last February when the application was made by the member stations of the CTV network to acquire ownership of the network. I listened very carefully to the submission made; I saw the screening of the type of programs they promised, and I am not making any charges here. They have done some good things in the meantime. I think the program "W5" is very good.

Is the board at the present time, or have you any methods of, assessing whether the owner stations are living up to the promises they made to the board in February concerning the changes that would take place and the type of programming that they would present. Have you a means of monitoring this?

Mr. STEWART: Yes. The immediate means which are available to the board are the station logs, and the board receives on a weekly basis the station logs of all stations in the country. In the case of television where programs are rather more easy to recognize and define than they are in radio which does not block off its time quite the same way, the logs, if accurate, give the board the basic information it requires to know the character of the broadcasting, not the quality of it. But at least we can differentiate between different kinds of programming and therefore on this matter we are continuously supplied with information which enables us to check this. We do not monitor on a continuous basis across the country, but we do monitor on an ad hoc basis when we feel there is need for us to go further than the information provided in the log, or to check the accuracy of the logs. We are not, ourselves, at the moment equipped to do much monitoring, but in centres in which the Department of Transport has its field officers the department will co-operate with us in monitoring. This is sound. The only way in which we can view television programs is either to ask for the tapes, which we do from time to time, or else do direct monitoring.

Mr. PRITTIE: Mr. Chairman, I should like to make it clear that I am not talking about specific programs. I am talking about the over-all allocations of time for different types of programming. The last point you mentioned leads me to my next question. You have this job of checking on the amount of advertising time on radio and TV throughout the country and the accuracy of the logs presented to you. Do you have sufficient staff to do this job the way you should be able to do it? There are a lot of radio stations throughout the country and a lot of television stations.

Mr. STEWART: This is a good question and, I think, a rather difficult one to answer. To do a complete monitoring job right across this country would, I think, be quite impractical. The question is really: How far it is worth while going for the purpose of checking the accuracy of logs or making sure that infractions are not occurring. If the board were given the authority which is implicit in the White Paper we would certainly wish to have more extensive facilities for monitoring and for checking than we have at the present time. It seems to me very much like the speed limit on the highways. How far do you go in the policing process to make sure that nobody escapes? There is a practical question.

Mr. PRITTIE: Yes, that is reasonable. I have one more question. The White Paper envisages a board of five full-time members instead of three as at the present time. Again this is a practical question: if you have five members, what kind of an allocation of duties do you make in this respect? Does one of them become responsible for some aspect of radio, another one for television? How do they put in their time, except when they are sitting as the full-time board?

Mr. STEWART: We have asked ourselves this question with respect to recommendation that the full-time complement be raised from three to five. If this is the decision, it would be inevitable to some extent the additional full-time people would have to do some staff work. I would be alarmed at thinking that there were five chairmen of the board who did nothing but make the final

decisions and sat around just waiting for that opportunity. They would all have to be working members, I would think; and so in a sense one would have to resist it.

The CHAIRMAN: You seem to be implying that three people are sitting around waiting to make decisions now.

Mr. STEWART: Not the people I have now.

Mr. PRITTIE: I will pass now; I may have questions later, if there is time or at a subsequent meeting, Mr. Chairman.

Mr. PELLETIER: Mr. Stewart, I am afraid I did not understand what you meant, when you talked about the fact of placing conditions on the grant of a licence in the present set-up created some awkwardness. I just did not get the point. Would you elaborate, please.

Mr. STEWART: Perhaps I could cite a case which involved a member of this Committee. Perhaps Mr. Jamieson would not mind if I used this case.

In this instance the board was concerned about the capacity of the market to sustain two operations which necessarily involved the splitting of the audience, and implications for the revenues for each of the stations.

So we wished to provide for a phasing in of the operations of the new stations, the CBC station, and I think the corporation itself was sympathetic to this approach, but that meant certain conditions with respect to the kind of programming and particularly the commercial policy to be followed by the corporation at the same time.

Now, these are not conditions which the Department of Transport, as the licensing authority, really wishes to be involved in; but as a licensing authority, how can they escape being involved? It is true that as a practical matter the board could presumably retain the responsibility for administering these conditions, but we would have to do it through the Department of Transport, which really wants to have nothing to do with these things at all. This is the kind of awkwardness that we have found in practice. This is merely one illustration.

Mr. PELLETIER: Did you feel that the board could not do it?

Mr. STEWART: I think it is an open question whether the board really has the authority, not being the licensing authority, to do this. I am not making the case on these grounds. I am making the case on an awkwardness of division of jurisdiction and responsibility here. But I think you raise the question whether it is enforceable by the board.

Mr. PELLETIER: Has the board tested the case?

Mr. STEWART: Not in the courts, no.

Mr. PRITTIE: Excuse me, how does this differ from the CJOR situation then, when you did discipline a station rather severely and made the owner transfer shares. What authority were you acting on then?

Mr. STEWART: We were acting on our authority as advisers to the minister. All we could do was recommend that the minister not approve certain conditions but the minister is the authority and in the end it is action by the minister.

Mr. PELLETIER: Has the board defined any rules about commercial gimmicks on television programs, the kind of quiz that you can use and the kind that you cannot, or did you simply make rules about the length of time that you could devote to commercials.

Mr. STEWART: In the main our rules are with respect to time and quantity. In the case of food and drug advertising, we are in part an agent of the Department of Health and Welfare and all food and drug advertising, which includes any claims in it, comes to the board, is referred by us to the Department of Health and Welfare and may be edited by them. At the same time the board has also an opportunity, because these are received by the board in advance of usage, to do some blue pencilling in terms of taste, and we do some of this.

Mr. PELLETIER: But what I am thinking of is in a different line. I know of commercial gimmicks—and they are not conceived in some far away station; they are right in the middle of Montreal—which really are equivalent do buying an audience. Do you have any rulings—

Mr. STEWART: We have a regulation setting a limit to the extent of the give-away.

Mr. PELLETIER: Not the type?

Mr. STEWART: Not the type.

Mr. PELLETIER: You have no rulings on that. Could you make any?

Mr. STEWART: We have the authority to make them, yes.

Mr. PELLETIER: Are there any cases of this kind that have been brought to the attention of the board, the type of commercial promotion that actually buys the audience? It amounts to paying people to be listening and then of course selling the audience to the sponsor.

Mr. STEWART: Yes we have had. This is liable to break out in the market. One station starts on a promotional program of this kind. In the competitive situation, it could very well be that then other stations respond with the same kind of promotion. Now we have on occasion—the Vancouver market is a case—been in touch with the stations when we see this sort of thing happening. Now, we have no regulation we are operating under, but we have expressed concern that this appears to be getting out of hand and that we think it would be well for the station to consider the inadvisability of this kind of competitive effort.

Mr. PELLETIER: But the board has not concerned itself with anything of this kind, taking for instance Montreal, over the last six months.

Mr. STEWART: No, we have not, to my knowledge, had any complaints of a situation there.

Mr. PELLETIER: Does the board take it for granted that the average audience has sufficient knowledge of its rules and bylaws to be the complainant. Do you take it for granted that complaints will come from the average viewer on quite intricate rulings that might exist or not exist, as you just told me.

Mr. STEWART: The flow of correspondence we get suggests that the audience does in fact do this. My secretary was off for a couple of days last week because

of dental trouble and the only way we could get help was to go to Office Overload and I had a girl in for a couple of days. At the end of the second day when she was leaving, she came to say goodbye to me and said, "I would like to ask you, Dr. Stewart, do you ever get any letters that are not complaining?"

Mr. PELLETIER: For instance, have you received complaints about flagrant violations of one of your rulings on back to back commercials on television, from the Montreal area?

Mr. STEWART: We have on ruling on back to back.

Mr. PELLETIER: You have no ruling on the number of back to back commercials that you can place within a certain period of time.

Mr. STEWART: That is right. Our regulation, commercial content on television, permits twelve minutes per hour. That is it.

Mr. PELLETIER: That is what I mean. If you have six or seven back to back commercials four times within the period of a show, for instance, and it amounts to seventeen or eighteen minutes, this would come under a regulation.

Mr. STEWART: It comes under our regulation and we would catch that first of all, assuming that the logs are correct, from the logs, and I have here—and you can see the scope of it—an analysis of a week for all television stations in the country indicating the amount of time in each hour of viewing during the week. This we get from our logs and the log examining section prepares this sort of report for us. Now there are some excesses in this document and we will then follow them up, and this may well lead to—

Mr. PELLETIER: Who prepares these?

Mr. STEWART: The log examining section.

Mr. PELLETIER: And they have been at work in the Montreal area over the last year?

Mr. STEWART: That is right.

Mr. PELLETIER: May I suggest that they might not be doing their homework very carefully.

Mr. STEWART: My colleagues wonder if we are talking about the same thing. I am not talking about monitoring. Now, we have not monitored in Montreal over the last year, but each week we get from the stations a station log.

Mr. PELLETIER: They do them, themselves.

Mr. STEWART: That is right.

Mr. PELLETIER: It is their report. Their own activity.

Mr. STEWART: That is right, and it is an offence to provide the board with an inaccurate log.

Mr. PELLETIER: But there is no monitoring whatsoever going on, or is there any?

Mr. STEWART: We have not done monitoring, but we are in the process of making arrangements, I may say, for some monitoring. I prefer not to say where it is going to be done, for obvious reasons.

Mr. PELLETIER: But you have not been doing any monitoring—

Mr. SHERMAN: A supplementary, Mr. Chairman. Dr. Stewart, would not these people who write you all the time, be in effect your monitors. You say your secretary asked if you never had anything but complaining letters. Are not these people who are writing you in effect functioning as your monitors?

Mr. STEWART: Yes; this is one of the ways in which the board may become concerned about a situation. Somebody writes us from Swift Current, Saskatchewan; then we have something to move in on and we may well then monitor in the light of that.

The CHAIRMAN: Gentlemen, I think you are undoubtedly directing attention to some part of the White Paper, but perhaps we are straying somewhat into the area where we might have gone in examining the estimates of the BBG, if we had been allowed to. The matter before us is the White Paper, and if we are going to make some useful contribution there, I think we should try to zone in as much as possible on the issues raised by it and the presentation by the Chairman of the BBG this morning.

Mr. PELLETIER: I accept your remark, Mr. Chairman, but I am driving to a very important point in the White Paper I think. It is the ability of the board to enforce its own ruling. I suspect it does not exist right now, and I suspect that if we had the White Paper's directions applied in the same way it would not change a thing. I am trying to see where the flaw is and what we hope can be done in new legislation, I am trying to find out what the board lacks. That is what I am trying to identify, because I am aware of the situation in the largest city in Canada where the rules are constantly violated, quite openly. There are cases, for instance, where the public sector is placed in an inferior situation, quite obviously also, because they do not feel that they can violate the rules of another public body which creates a very complicated situation really, and unfairness to the public sector. I am trying to see what the board's view is about putting an end to this kind of situation.

Mr. STEWART: Mr. Pelletier, I am not accepting your proposition because I do not know that is so. This may be part of our problem, but when you say that there are constantly breaches of the board's regulations and nothing is done about it I do not accept that. I suspect quite often that people do not know the regulations of the board and see things as breaches of the regulations which are in fact not breaches of the regulations. That may be another problem. So that the first problem is the knowledge that the board have of what is being done on stations, and this is an important issue. Is the board in a position to know enough about what is happening on individual stations across the country to make sure that it knows when breaches occur? I touched on this with Mr. Prittie. I think there is a practical problem of how far one goes, but I am prepared to say that if the board had the authority which is apparently to be conferred on it by the White Paper, we would wish to strengthen our position in terms of information with respect to what is happening on stations.

The second thing is, if we had more adequate information, let us say, and we detect through this breaches of the regulation, then there is the question of the enforcement of these. The White Paper does not I think greatly change the enforcement powers of the board other than by providing for direct fines by the

board rather than by prosecution, as is provided at the moment. I think there is a real question whether the board should be given authority to fine in a general way. I think there are differences with respect to, for example, a breach of the commercial regulations which obviously results in a financial gain to the station, and it may be that in this situation fines related to the extent of the infraction would be useful. There are other regulations of the board in which I would think the ability to fine would not be desirable.

For example, in the area of the regulation with respect to abusive comment or the regulation with respect to obscenity and indecency, I think this is quite a different kind of situation from the commercial breaches and I think it has to be approached in a different way.

Mr. PELLETIER: I would like to move to another subject and ask you if you are in agreement with the position of the CBC in the White Paper respecting a division between programming and administration. This would dislocate the whole operation of the CBC. Has the board a view on this part of the White Paper and the attitude that the CBC has been placing before this Committee?

Mr. STEWART: I would be glad on this one if my colleagues would, with your permission, wish to make their comments on it as well.

I think what we have said in our statement is that there is a problem here, a problem which is not resolved by the kind of broad general statements which one reads in the White Paper. These things would have to be spelled out much more accurately in drafting legislation to apply the intent of the White Paper. Once one got down to this level of consideration and had to deal with rather specific things and procedures here, one I think would be then confronted with the problem of how far the BBG could be given authority and exercise authority either to review decisions made by the directors of the CBC or to give directions to the directors of the CBC without either, on the one hand, creating conditions of conflict between the two boards, or else in effect create a single board of directors of the system, and then raise the question whether you need a board of directors of the CBC or not.

I cannot interpret the generalizations of the White Paper sufficiently in detail to see either the lines of demarcation which will be drawn between the two authorities or myself to decide whether you are really going to create a question of whether you have one board of directors or you have two boards of directors for the corporation. I cannot be more preceise than that. I think this is a very important issue, and I think these statements in the White Paper have to be worked through very carefully in devising the legislation. As you do this you must look at the workability or arrangements in terms of a situation in which the government appoints 12 people as directors of the CBC is that is the number, and 12 people as members of the Board of Broadcast Governors and how these two things, are going to be meshed in a workable way, dividing the decision making between the two places. Once you get down to look at these details, you may be forced to ask the question whether the Board of Broadcast Governors is not so intimately involved in the policy of the corporation as to raise the question of the desirability or practicability of having 12 appointed directors of the

CBC out on Bronson Avenue and 12 appointed members of the Board of Broadcast Governors down on Rideau Street, or wherever they are located at that time.

Mr. PELLETIER: One final question, Mr. Chairman, has it been in the preoccupations of the board and do you think it should be in the future, in the distribution of licences in a given area, to keep in line with the cultural balance of this same area? I suggest to you that the board has not been doing that in Montreal. You might differ on this but I think the number of stations allocated in English and French is almost equal which is in no proportion to the actual distribution of the population, although there were I am told requests and applications from both sides in equal number.

Mr. STEWART: I doubt whether that statement is correct, Mr. Pelletier, that the board have been confronted with equal numbers of applications from both sides. I mean over the whole period of time during which licences have been issued. I doubt whether that is correct.

Mr. PELLETIER: Let me correct that. Enough applications on both sides to keep a balance, which in my mind has not been kept. You might tell me that some of these applications were not acceptable, which is a difference and I would be forced to accept this from you because I could not study all the applications' details, but do you think this is one consideration that the board should have in mind?

Mr. STEWART: My answer to that question is Yes, and let me say that if the board had before it at the next hearing two applications, one an English language application and the other a French language application and the board's decision was, first of all, that the market could only stand one station at that time, that we could license, only one more, the board would certainly choose the French language station under the present conditions in Montreal.

Mr. PELLETIER: Why?

Mr. STEWART: Basically for the reasons which you are stating, that the board I think is sensitive to the need for some kind of balance of outlets of expression in Montreal.

Mr. PELLETIER: And this is my last question, Mr. Chairman. It is related to this one. Why has the board not authorized a second private TV station in Montreal? They are still waiting until February 1967, you say in your report. What were the reasons for leaving the private station alone in the French language up to now?

Mr. STEWART: The reason why we are delaying to next June for a hearing is I think very largely a question of the availability of channels. As we indicated, the board has recommended to the Minister of Transport that the UHF band be opened up. This would make it possible to have an application for a UHF frequency in Montreal, but the move to the UHF band is a very significant one. Somebody said to me the other day that it would probably take an investment of $20 million to establish a UHF station in one of the metropolitan markets. This may be exaggerated, but it is a very large amount of money, I am sure, before there is any return on investment in a UHF station. It seems then very important, before we license a UHF station, to see whether we have exhausted all the

possibilities of getting a VHF station because, looking at it from the point of view of the board, if we license a UHF station and it gets on the air—and it will lose money for several years—we are not the next year going to turn around and license a "V" opposite it, if a "V" is found; so what in effect I am saying is that once you move into the "U's". I think you have finished with the "V's". Therefore we want to make sure that any possibility that we can get a "V" for the major markets is explored before we deal with applications for "U's", and so we have set it for June in order to give some time for the exploration of the possibility of getting a "V" channel in. You may go back and say "why did you wait so long to open up the Montreal and Toronto markets?" There perhaps is no very simple answer to this, and maybe we should have opened it up earlier. There were freezes, committees of inquiry, and one thing and another; and it is only now that the board has changed that position whether its judgment is good or not.

The CHAIRMAN: Dr. Stewart, I wonder if I might just ask you something arising out of Mr. Pelletier's questioning. Do you favour the one board system suggested by the Fowler Committee?

Mr. STEWART: No, sir.

The CHAIRMAN: Do you have any suggestions to make about the line of demarcation, which you said was not clear in the White Paper?

Mr. STEWART: I cannot give a simple answer to this. I think really the way to approach this is to go through it, function by function. This is the practical way to deal with these problems; not in *a priori* judgments as to what should be in a general way. But look at it in terms of day to day kinds of decisions that will have to be made wherever the CBC is, and wherever the BBG is, and see if it is not possible to move this decision over here and say, now that decision can be made by the CBC, within the general regulations advanced by the board, but beyond that without reference to the BBG. There are certain other areas in which a certain workable relationship, between the public service on the one hand and the private sector on the other hand, must be maintained in the total system.

There must be some relationship between the decisions the CBC is making and decisions which are being made generally, or specifically with respect to private sectors. I do not think there is any simple way to do this except to go through the particular items, like licensing, and ask how does this work out in terms of can the board of directors of the CBC sit down and decide that next year they are going to open a station in Saskatoon, or wherever it is, or can that decision not be made, except within the framework of policy laid down by the BBG or by review of the decision by the BBG. Then you have to get into things like affiliation agreements, and see, in fact, how you can spell this out so that the particular point of responsibility for decision making is perfectly clear.

Then you get into the whole area of programming, and program mix, balance of programs, and program policy. I think you just have to sit down with

that and look at the kind of decisions which have to be made by an operating agency and by a regulatory agency, and try and spell it out.

The CHAIRMAN: Perhaps when you come back later you will be able to do that for us, because I think it would be most useful; and I think perhaps we would expect you to do that. Thank you.

Mr. FAIRWEATHER: Has the board defined any rules on the phenomenon of the open line radio programs?

Mr. STEWART: We had a public hearing on open line programs at which various possible regulations were aired. The only regulation which we devised specifically in relation to the open line shows is that, in effect, you cannot put a person on an open microphone without his knowing he is on; he has to be advised of that beforehand.

Mr. FAIRWEATHER: Are there no regulations about time between contact with the person and the announcer? Has that been reviewed, for instance?

Mr. STEWART: No, there is a delay, and I think all stations, in fact, provide a delay. They realize that unless they have some means of checking what is coming on they could be faced with a breach of the board's regulations, or, in fact, be subject to penalties under the Criminal Code, or libel or slander. So, I think all stations have, in effect, a delay.

Mr. FAIRWEATHER: I do not like to be presumptuous, but I am deeply concerned about this faceless participation and in many cases the faceless make baseless charges about various areas of Canadian life. There seems to me to be no attempt, at all, on the part of the station, to make a judgment on the type of information that is being purveyed. Obscenity is easy; you can rub it out, or at least you have the technical, or the narrow definition of obscenity. But I happen to think that obscenity is far greater than just the ordinary four letter words, and so on. I am wondering why this great area of broadcasting is left to grow without any regulation at all.

Mr. STEWART: I think the general view of the board here is that in the radio medium the contact between the station and its audience, and the opportunity for talk back from the audience, are basically good things. Beyond that, one gets into the limitations which you put upon the things which the audience may say to the station in the feedback and in this mutual participation. There, I must say, I think the board is disposed to give as wide an opportunity for expression —at least we do not want to get into the business of restricting the expression.

Mr. FAIRWEATHER: I want it to be understood, Dr. Stewart, although I do not particularly like the programs, that I think you are correct, that there should be a chance for the faceless. But I wonder if the faceless always should be nameless. I think in public life, particularly, we are used to meeting the accuser; at least that is the philosophy that I support. A good deal of this is by people with no identification, and that does not trouble me, but there are areas in life where I think the accuser should be known.

Mr. STEWART: The board has given quite a bit of consideration to this problem. While we have not devised a regulation, and I think there are great

difficulties in this, after all it is a momentary thing; who knows really whether the person is speaking or not, that is, whether he is really identifying himself or not—

Mr. FAIRWEATHER: Yes, I suppose.

Mr. STEWART: We did—without passing a regulation—suggest that during political campaigns we thought it wise that the stations should seek the identification of these people; but there is no regulation.

Mr. FAIRWEATHER: I happen to have been troubled by the implications in the minds of some people—not the implications in their minds—but a good many people seem to feel that parliament has an obligation to control program content. I would like a little of your philosophy for the record about the inherent dangers of parliament attempting to control program content.

Mr. STEWART: In our statement and referring to the total delegation of authority on page 5, we simply ask the question: Are the implications of total delegation of authority fully understood? Because if the words mean anything at all, it seems to me they mean that parliament is in fact washing its hands of programming—I use that analogy perhaps unwisely—but let us be blunt about it. Put it this way; when parliament says "we give total authority and we delegate our unquestioned authority, as parliament, to another agency", you are, in fact, saying "we wash our hands of programming". It seems to me that the only thing that can happen under these circumstances when matters affecting programming come up in parliament, is for the minister responsible to say, "I have no responsibility"—

An hon. MEMBER: Hear, hear.

Mr. STEWART: —for what goes on in programming". That is the only position, I think that can be taken. Now, if this is the BBG, then the same thing applies. I am also interested to know, if it came up in parliament and parliamentarians were concerned about programming on the CBC, whether under the conditions of the White Paper it would be the BBG that they would want to find out from. This would be a very important consideration, I would say.

Mr. FAIRWEATHER: You have made a grave error there; you would need several other Office Overload people. I have this in my mind, and I would like to be disabused of it,—but I would need some more evidence—in spite of an amazing technical advance in the art of communication there is a rather sad diminution in quality of programming both public and private in Canada today.

Mr. STEWART: I could not—obviously, I would not—subscribe to this. I have had eight years of some responsibility in this area, and frankly I am not prepared to say that there has been a deterioration. In the first place, I do not think, in comparison with the service that people have in other countries today, that we have any reason to apologize for the broadcasting service which is available to Canadians; I say this from whatever knowledge I have from contact with broadcasting in other countries. Whether it has improved or deteriorated is a matter of judgment; but I think that one of the problems here is that people have become much more discriminating than they were in the early days. After all, television is really a fairly new thing, which began in 1952. I guarantee if you go back and listen to some of the programs that were put across in 1952, you will

realize they simply would not be acceptable today in terms of audience acceptability. We are looking for something much different from the kind of thing we were prepared to take because of the novelty of television then. So, everybody is becoming more critical, and more sophisticated, with respect to the medium.

Mr. FAIRWEATHER: Well, that, in effect, has answered my question; because the advance in discrimination and sophistication is evidence of improvement in quality.

Mr. STEWART: Tastes have changed over the last eight years, since I came into this; it is the thing that impresses me more than anything else about it. I would be glad to elaborate on this, but, believe me, sensitive as the board has to be of public attitudes with respect to programming, one of the amazing phenomenon of the last few years is the change in the matter of acceptability.

Mr. FAIRWEATHER: Well, that is encouraging. Are audience ratings ever used by the board in licence renewals?

Mr. STEWART: Well, we have access to the audience surveys of the Bureau of Broadcast Measurement. These surveys are all made available to us, without charge to the board, and we have this information constantly before us. We try to use this intelligently in determining the kind of things which people turn to in numbers in terms of programming.

Mr. FAIRWEATHER: I do not know whether this is the board's responsibility; I discussed this here publicly with the corporation, but as an easterner I am troubled by the fact that in some areas of the national broadcasting system, that is the CBC, that news and editorial comment are really, because of the lateness of the hour when shown not a really important part of life in the Maritimes and in Newfoundland as they should be, in the absence of a national press. I suppose this would not be part of your responsibility to tell the CBC when they should air, but do you think this is a problem, as I see it, or am I—

Mr. STEWART: I think it is a problem. The audience figures to me indicate that the 11 o'clock national news of the CBC is still a great Canadian institution. There is no question that people will sit up in order to see the national news. People will sit up only so long and 11 o'clock to a great many people is late enough.

Mr. FAIRWEATHER: In other words, you would be happy, as we would be, to have this a national phenomenon and not an Ontario and Quebec phenomenon?

Mr. STEWART: Put that way I would say, yes.

Mr. FAIRWEATHER: You may not want to delay it; I would like to see it.

The CHAIRMAN: Mr. Stewart, in answering Mr. Fairweather, you referred to your comments on page 5, about programming. Do you concur with the statement that the regulation of programming is best delegated to an independently constituted authority, which is not subject to any form of direction in that regard?

Mr. STEWART: I say yes, with the greatest humility, believe me. I do not wish to appear to be in the position of saying "I want to be the authority that is responsible for this." Whoever it is, my preference is for parliament to divest itself of that.

The CHAIRMAN: To wash its hands. Putting aside your modesty could you venture an opinion about whether it should be the BBG to whom this total delegation of authority over programming should be given? Is it the BBG to whom the minister should refer the complaints, as you suggest perhaps he or she should?

Mr. STEWART: Mr. Chairman, you asked earlier if we would come back a little better prepared to get into some of the details of this division of responsibility. May I take that particular question into consideration?

The CHAIRMAN: I would appreciate it if you would.

Mr. JAMIESON: I presume we have to adjourn at 11 o'clock. In the little time we have left, I would like to deal with the structure problem again, because it seems to me that this is fairly basic to the whole thing. The board seems to be on all fours with the CBC with regard to the idea of eventually aiming toward what we might describe as parallel services, a total private service, whether it is integrated or not and a total public service. Does the board have up-to-date figures as of fairly recent times on the extent to which this now has been achieved, the number of Canadians, the percentage of the Canadian population, that now has access to a total private service of some kind, Canadian, and a total CBC service?

Mr. STEWART: We have checked the figures, and it is about 70 per cent.

Mr. JAMIESON: Therefore, there is really only an area of about 30 per cent in terms of population that is now into, what we might call, a mixed system, or getting only a single service?

Mr. STEWART: Yes. There is perhaps 5 per cent who do not get any service. There is another 25 per cent, who are getting only a single service.

Mr. JAMIESON: Let us say that that 20 per cent, as I understand it, and I would like you to confirm this, is generally speaking in rural and somewhat remote areas, for the most part.

Mr. STEWART: For the most part, yes.

Mr. JAMIESON: Therefore, it is not really as simple as it sounds to say: "We have gone 70 per cent; we will go the other 20 per cent." It is not just a matter of putting up two or three stations; it would involve a very substantial number of additional outlets for the CBC, for example?

Mr. STEWART: A number of outlets, yes.

Mr. JAMIESON: Have you done any work in the board to estimate how long it might take to achieve this objective? Is there any kind of figure, is it 5 years, 10 years? Do you think it can be done rapidly, bearing all the factors into account, that is, the fact that these are small population centres which are going to have difficulty supporting two services, at any rate.

Mr. STEWART: We are having a study made of the economics of some of these smaller markets, in order to assist the board in determining whether there is any way in which you can split the audience and still maintain a local service with a local station. Having in mind the range of situations, it would seem to me that it would be very difficult to proceed rapidly with this. That is, I think there

is just so much you can do each year and therefore, there is no escape from the kind of pressures which will develop in some situations, and are developing now for immediate service. I just do not see any way of meeting that kind of demand.

We feel it is a process that will extend over a period of years, taking those situations in which it can be most readily affected earlier on and proceeding to the more difficult situations later. There may still be a fringe of situations in which you simply cannot hold out any hope of two services in any reasonable foreseeable future.

Mr. JAMIESON: One of the reasons I asked you this is that I take it you feel from what you say here, and also from earlier public statements you have made, that the matter of direction of broadcasting would be simplified to some extent if there were not an overlap between the two. In other words, if you have the CBC on this set of tracks and the private sector on this set of tracks, it would at least simplify the matter of control. Is this a fair assessment of your position?

Mr. STEWART: Yes; the problems of affiliation of private stations to the CBC network is becoming increasingly acute and the difficulty of resolving the relationships between the private station and the CBC is becoming more difficult. This is a factor by itself, apart altogether from the demand of the public for a choice of service.

Mr. JAMIESON: Would you say there is a direct relationship between the reduction in the dependence of the CBC on affiliates, and the increase in the magnitude of this problem? In other words, as I see it, what is happening is that as the CBC becomes more and more, in a sense, independent of affiliates in more and more sections of the country, those who are left do not loom as large, or in one sense they are not as important in the coverage pattern and yet in some respects they are more important, because they are the only outlet for the CBC in these areas. I do not know if I am making myself clear or not, but the point is that once we broke the pattern—the national decision was to break the pattern—of a pretty well totally mixed system with only five or six CBC stations, and once we went beyond that into 10 or 12, or however many exist now, this changed the whole rationale on which the affiliation set-up is based?

Mr. STEWART: This is my own view, and I think the break was made, rightly or wrongly, in the licensing of second stations when we started with Edmonton, and when we set up the second station there, and then Quebec City, then St. John's, Newfoundland, we really moved away from the basic pattern established when television was first introduced, that the CBC would have, I think, six regional outlets, for the purposes of feeding programs to the national network, but that the rest of the system would be the national network service distributed through private stations. We have moved to the point where 70 per cent now have it. If you give Saskatoon, Saint John-Fredericton and Sudbury, the same thing, you move up another significant step. You are moving in that direction.

Mr. JAMIESON: You may wind up with only about 10 per cent left?

Mr. STEWART: That is right.

Mr. JAMIESON: Mr. Chairman, I have one last question. On this matter of the two board structure, and so on, I take it you do not visualize any difficulty in a continuation of the kind or arrangment you have now with regard to application

of general regulations; that is, food and drug, Canadian content, as long as it is on a percentage basis, that kind of thing. Therefore, the difficulty with regard to any control the BBG might exert on CBC comes right back to what Mr. Prittie has called the "grey area of taste discernment", and this kind of thing. The whole issue of contentious and controversial programming where you simply cannot put a yardstick on it and say: "This is 50 per cent, we asked for 55 per cent, therefore, there is a breach." Or, "We said 12 commercials and you have 15, there is a clear breach". These things are relatively easy to administer, but is not the problem—and I am talking about the White Paper here—of trying to say to the CBC "You should not have that program on the air," and someone says "Why", and you have to say: "It is not in good taste, it does not conform to what the board feels is proper broadcasting." Is this what you see as the major difficulty?

Mr. STEWART: I think it goes beyond that, Mr. Jamieson, into the balance or pattern of the mix of the CBC programming: questions of how much Canadian programming as against non-Canadian; how much public service programming as apart from entertaining programming; how much programming originates from Toronto and Montreal, and how much originates on a regional basis?

Mr. JAMIESON: But these are all mathematical calculations in a sense, are they not? Would these not be fairly easy for either you to approve on the basis of what the CBC proposed, or for you to set down as basic principles in the first instance for the CBC to follow? I do not see there is too much problem in administering this, and I am not at the moment questioning whether it is the right technique or not.

Mr. PRITTIE: Mr. Jamieson, do you mean would people complain about Sunday and write to the CBC or the BBG?

Mr. JAMIESON: Yes, and what difference does it make, because it comes down to a matter of judgment.

The CHAIRMAN: Gentlemen, I think we must vacate this room now. The question arises when we can have Dr. Stewart back. The intention had been to have the next meeting of this Committee next Tuesday morning at 9.30 a.m., and it seems certain that the house will still be in session at that time. I presume most of us will be here, but perhaps we had better survey the situation and make sure we will have a quorum. Are there any members present who will not be here on Tuesday?

Mr. MCCLEAVE: I do not think I will.

Mr. MATHER: Mr. Chairman, I will be in Ottawa, but there are other Committees meeting and it may be that I will have to attend one of those.

The CHAIRMAN: We cannot do much about that, but how many are there then who could not attend the meeting on Tuesday morning at 9.30?

Mr. MCCLEAVE: This is one of the grey areas, Mr. Chairman.

Mr. JAMIESON: I was hoping I could talk Mr. McCleave into leaving at the same time as myself.

Mr. McCLEAVE: If legislation comes up, we should be here for it. I am going home over the week end, and whether I will be able to get back or not, I do not know.

Mr. JAMIESON: Mr. Chairman, was it your intention to continue with the BBG?

The CHAIRMAN: Yes. I would suggest that we call a meeting for Tuesday morning at 9.30 and ask Dr. Stewart to be here, and it appears from the indication of the members who are at this meeting, that there would be a quorum on Tuesday morning.

Mr. McCLEAVE: Do not count the house, Mr. Chairman; there are no votes on Tuesday.

The CHAIRMAN: I think we owe the witness a decent audience.

Mr. McCLEAVE: Why not let Mr. Slack phone our offices on Monday to check with the secretaries and leave it flexible enough so perhaps members could be told late on Monday afternoon whether the meeting will be held on Tuesday morning.

The CHAIRMAN: We will assume for now that we will go ahead on Tuesday morning as planned.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 32

TUESDAY, DECEMBER 20, 1966

WHITE PAPER ON BROADCASTING (1966)

WITNESSES:

Dr. Andrew Stewart, Chairman; and Mr. Pierre Juneau, Vice-Chairman, Board of Broadcast Governors.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25488—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Johnston,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	Mr. Mather,	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, December 20, 1966.

(50)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Berger, Brand, Johnston, McCleave, Munro, Pelletier, Prittie, Prud'homme, Richard, Sherman, Stanbury—(12).

In attendance: From the Board of Broadcast Governors (BBG): Dr. Andrew Stewart, Chairman; Mr. Pierre Juneau, Vice-Chairman; Mr. David Sim, Member.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

Dr. Stewart made a statement dealing with various matters including relationship between the BBG, the CBC and the private sector of broadcasting, structure of the public system, programming, regulations, conditions of the license, and commercial regulations.

Dr. Stewart was examined on his statement, assisted by Mr. Juneau.

The Chairman thanked Dr. Stewart and his official for their presentation and they were permitted to retire.

Mr. Stanbury then presented the Thirteenth Report of the Subcommittee on Agenda and Procedure, dated December 20, 1966, as follows:

Your Subcommittee recommends that:

1. The following officials be invited to appear before your Committee:

(a) Director-General of the British Broadcasting Corporation.

(b) Director-General of the Independent Television Authority (United Kingdom).

(c) Chairman of the Australian Broadcasting Commission.

(d) Chairman of the Australian Broadcasting Control Board.

2. That reasonable living and travelling expenses be paid to the above witnesses.

On motion of Mr. Prittie, seconded by Mr. Brand,

Resolved,—That the Thirteenth Report of the Subcommittee on Agenda and Procedure be now concurred in.

At 11.00 a.m. the Committee adjourned until 8.00 p.m. on Monday, January 9, 1967.

M. Slack,
Clerk of the Committee.

25488—1½

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, December 20, 1966.

The CHAIRMAN: Gentlemen, we have with us again this morning Dr. Andrew Stewart and the other full time members of the BBG.

A number of questions were raised at the last meeting which Dr. Stewart has offered to answer in a brief statement, to begin with, this morning.

Would you like to proceed Dr. Stewart.

Mr. ANDREW STEWART (*Chairman, Board of Broadcast Governors*): Thank you Mr. Chairman. I hope the word brief describes it, but we have attempted to answer more specifically some of the questions that we asked ourselves in the earlier submission.

The White Paper on broadcasting appears to us to embrace two general approaches to the relationship between the Board of Broadcast Governors and the Canadian Broadcasting Corporation. First of all, the relationship between the Board and the CBC should be similar to the relationship between the board and other components of the broadcasting system. The functions of the CBC Board of Directors should be similar to those of the board of directors of a private corporation engaged in broadcasting.

Two quotations from the White Paper seem to bear out this approach: First of all, on page 8 it says,

> The powers and authority of the Board of Broadcast Governors shall be applicable to all broadcasters alike,

And on page 16 under the heading, The Board of Directors, the emphasis is on management and operational policy and quoting again, "judgment and experience of management matters".

We have to note that there are obvious differences between the CBC and a private corporation.

In the first place the directors of the corporation are appointed by the Governor in Council.

Secondly, the funds which the directors of the CBC expend must be obtained at large part from the public treasury.

Thirdly, the CBC may have directions from parliament bearing on its programming and I quote from page 15:

> The new legislation will confirm objectives developed by the corporation.

The second general approach seems to recognize that there are relations between the public sector and the private sector which make it necessary for the regulatory authority to be concerned about the performance in both sectors; for example, on page 8 the White Paper reads:

> The Canadian Broadcasting system, comprising public and private sectors, must be regarded as a single system. However, the legislation will make it clear that the corporation will be subject to the regulatory powers of the Board of Broadcast Governors in all matters affecting general broadcasting policy in Canada.

In regard to this approach there is, first of all, the matter of affiliation agreements between the CBC and private stations which obviously establishes a direct contact between the corporation and the private sector. But the disposal of this matter is not at issue. In its brief the CBC said:

> The delegation of full powers to the BBG to 'regulate the constitution of and conditions of affiliation to all television and radio networks, both public and private' is accepted in principle as the best arrangement available under present conditions where both CBC and private stations form part of the same network.

A second feature of this approach in regard to relations which exist between the public sector and the private sector, we note that there is a form of competition for audience between the CBC and the private element. No broadcasting organization can be completely oblivious to the size of the audience it reaches, and in a two station situation the size of the audience secured by one station depends in part on the programs offered by the other station: the mix of programs in each case affects the audience distribution between the two.

Thirdly, there is a competition for commercial revenues between the CBC and the private element. The availabilities and rates in the public sector, and the revenues taken from the market by the public sector, affect the rates and revenues in the private sector, and vice versa. So it can be argued that the public sector can be substantially affected by the conditions imposed by the board on the private sector. The Board of Broadcast Governors cannot effectively regulate the private sector without knowledge of and involvement in conditions affecting the performance of the public sector.

I turn now to deal with the structure of the system. In our earlier presentation we noted that the government must, in so far as funds for capital purposes of the CBC come from the public treasury, be involved in and give directions to the CBC on the physical structure of its part of the total system.

We raised some questions with respect to procedure. There are many directions in which the physical structure of the public system can be modified or extended in each of its several service parts, namely: television, English and French language; AM radio, English and French language; FM radio, English and French language. The paths of extension include provision of first service, second service, perhaps even third service, either as originating outlets or repeater stations. So changes in the structure involve an intricate complex of priorities between the services and within each service between places. In parenthesis, the problem becomes even more complex if we include decisions affecting the introduction of new techniques such as colour television or satellite distribution.

It cannot be disputed that the decisions affecting structure of the public system can have considerable effect in the development of the structure of the private system. A simple illustration may be helpful. The White Paper gives

directions regarding the physical structure of the public service. It refers to the reservation of channels for the CBC in four places. It happens that the direction is consistent with the advice given by both the CBC and the BBG. Under this direction the CBC is applying for a station at Saskatoon, the application is now in our hands and could be heard in January 1967.

The CBC must have funds available to proceed with the construction of the facilities and the Board of Directors must have decided that expenditure on an outlet to provide second service takes precedence over some alternatives, and that Saskatoon takes priority over the other three places. When the application is heard, should it be within the competence of the board to question the decisions of the corporation in these matters and to deny the application if in the opinion of the Board, the CBC should rather accelerate its extension of first service or proceed in say, Saint John-Fredericton rather than Saskatoon. Again, in parenthesis, should the board be in a position to deny the application if in its opinion the expenditure on facilities appear to be excessive. This it seems to us is a management decision. But these other decisions are not unrelated to the operations of the private sector which are no concern to the CBC.

It would make some difference to the private stations and the private network if the CBC proceeded first in say, Sudbury, rather than in Saskatoon, If it is within the competence of the board to review the decisions of the directors of the CBC in such matters, should not the review occur before an application is dealt with at a public hearing.

The application of the CBC for a station in Saskatoon illustrates the general problem in another way. The White Paper in reference to Saskatoon and the other three locations says, and I quote:

> The provision of television service by the Canadian Broadcasting Corporation in these reserve locations will be inaugurated by means of repeater stations at first, as funds permit.

And the board has endorsed the principle that the extension of CBC facilities should be by rebroadcasting or repeater stations. Now, the application of the CBC as received by the Department of Transport and referred to the board involves a total capital expenditure of $4,077,350 of which $2,237,000 is for the studio site, studio building and studio equipment and furnishings, not including other expenses related to studio facilities. The government has advised the board that the Saskatoon station is to be a repeater station, but the Department of Transport has forwarded an application to the board which is not for a repeater station but rather a station with full studio production facilities. Presumably the estimates of the CBC for 1967-68 have been approved by the Treasury Board. We ask, where does all this leave the Board of Broadcast Governors?

We subscribe to the statement that public elements should predominate in policy areas where a choice between the two is involved. This means that the Board of Broadcast Governors must know the directions of change and the structure of the public element in advance of decisions it will have to make affecting the private element. It seems to us that whatever means are devised to enable the "Governor in Council" to give formal directions on the over-all pattern of coverage to be followed, these directions will be given in broad terms within which particular decisions will have to be made. There are various

reasons why the board should be involved in the decisions affecting the extension of the public element including the effect that changes in structure of the public element may have on the private element.

I quote again:

> The government accepts the recommendation of the Advisory Committee that the corporation should be financed by means of a statutory five year grant based on a formula related to television households, with a suitable borrowing authority for capital requirements.

We note that both the CBC and the BBG have supported the proposal of a five year statutory grant for operating purposes. The capital expenditures of the CBC we understand are to be financed either wholly or completely by borrowing, presumably with the endorsation of the Minister of Finance. The extent of the borrowing over the five year period will be related to the extension of the physical structure of the public service, including expenditures on consolidation in Montreal and Toronto, etc.

The annual budgets of the corporation will make provision for expenditures on particular items of the physical structure. It appears to us that the board must be involved in the planning of the extension of the public service and related capital items on the five year basis and the annual basis. This means involvement by the board, that is, the BBG., in directions on coverage patterns given by the Governor in Council and also, so far as capital items are concerned, in the annual budgets of the CBC.

How is this to be done? Although the board sees its involvement in these matters as inescapable, it does not suggest that the board should be the sole adviser of the cabinet in arriving at the direction or have exclusive authority to determine the capital items in the CBC annual budget. Both the CBC directors and the board should be involved.

In the matter of the items of annual capital expenditures to be made within the general directions, if the BBG and the CBC cannot reach agreement, the BBG should forward to the cabinet the original submission of the CBC together with the advice of the BBG.

I turn now to the question of programming and again, particularly the relations between the Board of Broadcast Governors and the Canadian Broadcasting Corporation. In our earlier presentation under the heading "Authority over Programming in the Public Service", we said, and I quote:

> It appears to us that considerable clarification of the decision making role of the Board of Broadcast Governors, on the one hand, and of the Directors of the Corporation on the other, is necessary in translating these general propositions into legislation which will avoid conflicts of jurisdiction between the two public agencies.

We have studied the brief presented to this Committee by the CBC and have noted the following recommendations.

> That the Board of Broadcast Governors be given full authority for
> (ii) general broadcasting regulations.

And again:

> We urge, however, that the proposal to issue individual conditions of licence for each CBC owned station be dropped. We feel this requirement is redundant since the goals of the CBC are to be part of the new legislation. This mandate will, in practice, comprise the conditions of licence for all CBC stations which operate under a common policy direction and control. Separate conditions of licence for each CBC station could create added complexity and could conceivably be inconsistent with the requirements of the mandate.

Under the heading "The Mandate of the Corporation" the White Paper says:

> Under the present Broadcasting Act, responsibility is assigned to the Canadian Broadcasting Corporation for the operation of a national broadcasting service. The interpretation of this has been left largely to the Corporation itself, and it has fulfilled its prime responsibility to provide broadcasting services to the Canadian people as a whole in a manner that is altogether praiseworthy.
>
> The new legislation will confirm the objectives developed by the corporation which are to provide a complete and balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes, including a high content of regional, national and international news, factual and interpretative reports, and programs devoted to all aspects of the arts, light entertainment, and sport. It should seek to use and develop Canadian artistic and cultural resources and talent, wherever situated, to the maximum extent consistent with high standards of program quality. It should serve the two official language groups and the special needs of geographical regions, and it should actively contribute to the flow and exchange of information, entertainment and understanding between cultures and between regions.

That is the end of the quotation from the White Paper, on the mandate of the CBC.

In our earlier presentation under the heading "The Exercise of Authority over Programming" we referred to the three means of control mentioned in the White Paper and said:

> The authority conferred on the BBG should be wide enough to permit the use of all three means in the manner and under the conditions the board finds appropriate.

I want to differentiate between regulations dealing with the quality of programs, of public acceptability of programs, other general regulations and conditions of the licence.

First of all, with regard to regulations dealing with the quality or public acceptability of program matter, the board has a regulation prohibiting any station or network from broadcasting obscene, indecent or profane matters. The recent episode of the "Sunday" program of November 27 illustrates the problem. If the general regulations of the board apply to all broadcasters alike and if, in the opinion, of the board the program, or any part of it, was indecent or obscene,

the board should take action against the CBC but the White Paper itself exposes a problem. We quote:

> Since monetary penalties would be ineffectual and the suspension of licence impractical, the corporation will necessarily be required to comply with specific directions by the board in cases of breach of regulations or failure to comply with the conditions of a licence.

It appears to us that in this area of regulations, either the board would be pitting its judgment of acceptability against that of the appointed directors of the CBC, or would become involved in management relations within the corporation. On balance, we think it would be preferable if the CBC directors were held directly responsible for the quality or public acceptability of their programs.

Secondly, with respect to other general regulations—and I illustrate with the general regulations we have today. This does not mean that there may not be other forms of general regulations as time goes on but I use these for purposes of illustration—the general regulations of the board are, in the main, proscriptive. They indicate to broadcasters what is not permissible. There are only two exceptions, namely, the Canadian content regulations affecting television and the requirement of a minimum of 20 per cent in the category of arts, letters and sciences affecting F.M. radio. Although there are problems of defining Canadian content and arts, letters and sciences, the regulations are quantative and comparatively objective. The minimum requirements provided for in both regulations apply to all broadcasters alike.

It is the experience that private broadcasters in English speaking Canada operate close to the minimum required Canadian content. The reasons include either the lower costs of non-Canadian programs or the larger audience drawn to them. The same reasons do not apply, or do not apply equally to the CBC and, in fact, the CBC tends to operate above the required minimum. It does this by decision of the directors in interpreting its mandate. We can see no reason why the minimum Canadian content, consistent with the mandate of the CBC, should not be defined and incorporated into the general regulations; because of the competitive relations between the public service and the private service, this seems to be desirable.

We would propose that, as a principle of regulation, if general regulations of a quantative character are to be enacted by the board, the board should have the authority to establish the minimum at different levels for the public service and the private service and that in amending the regulations affecting one element, the board should be required to give consideration to the relationship with the regulations as they apply to the other element. Regulations can be enacted or amended only after public hearings.

Thirdly, with respect to the conditions of the license, the board has not had experience with this method of control. However, the board supports the proposal in the White Paper that this means be made available to it under the authority to issue licenses. Again, we use Canadian content to illustrate the problem. Except with respect to public affairs, the capacity to program locally produced Canadian content material depends on revenues and talent resources in the community. As a general rule, both revenues and talent resources vary

directly with the size of the market. In terms of local production, therefore, there would seem to be a case for differential regulations or conditions on licenses which would require more Canadian content on metropolitan stations than on stations serving smaller urban or rural communities. But this overlooks the flow of information essential to: "the most important object of public policy, namely, to preserve and strengthen the political, social and economic fabric of Canada". It is part of the mandate of the CBC that:

> "It should seek to use and develop Canadian artistic and cultural resources and talent wherever situated, to the maximum which is then consistent with high standards of program quality. It should serve the two official language groups and the special needs of geographical regions and it should actively contribute to the flow of information, entertainment and understanding between cultures and between regions.

The CBC performs these functions by the operation of networks, not merely because its outlets: "operate under a common policy, direction and control".

It is our opinion that except possibly for some differential allowance for programs produced and broadcast locally, the requirement of higher Canadian content in metropolitan markets than in smaller markets would be quite inconsistent with the concept of Canadian content and the objectives of public policy. Substantial equalization of Canadian material in broadcast communications to all Canadians is essential to meet the objectives of pubic policy. This, we believe, can be most effectively assured through network operations. It is achieved in the case of the public service through network operations.

There is an insignificant difference in the pattern of programming of stations owned and operated by the corporation. We would not anticipate much use of authority given to the board to place conditions on the licences of individual CBC O. and O. stations. However, if differential conditions have to be placed on the private stations operating in the same markets as the CBC stations, it might be necessary to consider parallel conditions affecting the non-network programming of CBC stations.

We, therefore, repeat the statement made in our earlier submission:

> The authority conferred on the BBG should be wide enough to permit the use of all three means in the manner and under the conditions the board finds appropriate.

With respect to commercial regulations, we referred above to the competition for commercial revenues between the CBC and the private element. In reference to regulations affecting the program mix, we propose the principle that:

> If general regulations of a quantative character are to be enacted by the board, the board should have the authority to establish the minimum at different levels for the public service and the private service and that in amending the regulations affecting one element, the board should be required to give consideration to the relationship with the regulations as they apply to the other element.

We see no sufficient reason why the policy of the corporation with respect to commercials should not also be defined and incorporated into the general regulations according to a similar principle.

In conclusion, we are concerned over the statement in the CBC brief to this Committee and I quote:

> 12. It is the considered view of the directors of the corporation that responsibility for the national broadcasting service cannot be successfully divided between two public boards. CBC program policies and operations are indivisible. To divide responsibility for them is to divide the corporation—to weaken the CBC—and to weaken CBC is to weaken the service it provides.

We are certainly not here in opposition to the public service. The broadcast service generally to the public would be incalculably poorer without it; and without it the board's problem of regulating a private system would be incredibly difficult. Neither would we wish to be party to any change which would weaken the public corporation in pursuing its primary purpose of providing the best possible programs consistent with the objectives of public policy. It may be that the changes we are endorsing would reduce the capacity of the corporation to interpret independently the objectives of public policy, but these are two different matters. It may be impossible to predict how well changes will operate in practice, but we think some changes are necessary.

We do not think that the involvement of the board in interpreting and applying directions with respect to the extension of physical facilities would in any way limit the ability of the corporation to make available the best possible program service from the operating revenues to be made available to it. Suppose that the regulations prescribed that if the minimum Canadian content for the private sector is 55 per cent, the minimum for the public sector is 65 per cent, or if the maximum commercial time for the private sector is 12 minutes per hour, the maximum for the public sector is 8 minutes per hour. We find it difficult to believe the such regulations weaken the public corporation or the service it provides.

It seems to us that the real area of concern may well be how far the board will go in controlling broadcasting, either by regulation or conditions in the licence in either the public or the private sector. We are against regulation for the sake of a display of authority. We do not believe that parliament intends or the public would accept a tight control over the substance of broadcasting. We believe that excessive regulation and control would destroy the vitality of broadcasting. We do not believe that control will create good broadcasting. Good broadcasing depends on the creative, imaginative people it can draw to it, both in management and in production.

The CHAIRMAN: Thank you, Dr. Stewart. Your statement may not have been brief but I think it was very useful.

Dr. Stewart, it takes quite some time for our record of proceedings of meetings to come out, so perhaps you could arrange to have copies of this statement delivered to the clerk for distribution to members of the Committee.

Mr. STEWART: Mr. Chairman, these are being prepared. We just finished this last night and it was really impossible to do more than we have done today.

The CHAIRMAN: You will do that? Thank you.

Mr. MUNRO: Dr. Stewart, after that statement this morning, which I think was a most useful one, it would be nice to have an opportunity to go over it. It contains quite a few opinions of the BBG with respect to the White Paper, which I think could stand considerably more examination. I think they were very worth-while comments. You dealt with some of the matters I wanted to raise. I notice in your paper before the Committee, on page 5, you say:

> It seems clear that the Government, on behalf of parliement, must decide on the physical structure of the public part of the system. The necessity of the Government making decisions on the private element is less clear to us.
>
> We suggest that, given the principle that the public element should predominate the policy directions on the expansion of the CBC the growth of the private element, could proceed on the basis of the capacity of private investors to provide a service, subject to the conditions and regulations of the board.

This sort of fundamental premise of the White Paper that the public element should predominate in broadcasting in this country is a very general one, but I cannot see in any way how this is specified to any degree in the White Paper. If the Board of Broadcast Governors is going to have expanded authority, and generally speaking I think that is clear in the White Paper, although the particulars are lacking as you yourself mentioned this morning, if the BBG is to have expanded authority, inasmuch as they will be issuing the licences themselves in future—and, of course, other than the area you have indicated you tend to disagree with, the power of the BBG over programming is expanded, so that it becomes a more powerful board in the national broadcasting system,—I am wondering how the BBG feels it can insure that the public broadcasting will predominate in the country.

Mr. STEWART: In terms of structure it seems to us that it is essential that parliament knows where the public service is going. The public service is a direct agency of parliament and parliament ought to know where the public service is going, and the Board of Broadcast Governors ought to know as well as the directors of the CBC so that the board may then deal with the private sector in terms of, and consistently with, whatever it is that parliament wishes to happen in the public sector. For example, on the question of second service,—and we have raised this point because we think it is really very important,—is it the intention of parliament that we should move towards a situation in which the public service—a full public service—will eventually be available to everyone in Canada. This is a policy decision which must be made, we think, by parliament. Now, if that is the intention, then in dealing with licences—applications by the CBC itself or applications from private broadcasters—we know that this is the intention for the public service and then we would deal with private applications consistently with that policy. This is as far as the physical structure is concerned.

Mr. MUNRO: In other words, if I could take the liberty of rephrasing this to test whether I have it correct, as far as the BBG is concerned in terms of the physical structure of the public broadcasting in this country, you would like this

rather spelled out to you and then you would fit in your plans as far as the private sector is concerned with that over-all intent that would be expressed to you. You are rather reluctant yourself to be placed in a position where you would have to determine many particular just what role public broadcasting would play.

Mr. STEWART: We would very much hope that we would be used as advisers to parliament or the government in determining what these directions of policy might be. We would assume also that in deciding on this particular matter —where the CBC is going in terms of alternative service—that the CBC would also be consulted by whoever is making the decisions. We certainly would feel that we could be helpful as advisers in this area.

Mr. MUNRO: But you would prefer direction, subject to your advice, to come from parliament?

Mr. STEWART: Yes, in broad terms. We would not expect parliament to spell it out in detail.

Mr. MUNRO: I see. That would be with respect to the physical, the structural side, of public broadcasting. As far as the programming in public broadcasting is concerned I took it from your remarks this morning that you would prefer not to be responsible in that area to the degree indicated in the White Paper. You would rather leave that to the board of directors of the CBC.

Mr. STEWART: This is certainly true in terms of the public acceptability of programs produced and aired by the corporation. This is a complex problem, but our considered opinion is that, on balance, it would be better to place that responsibility squarely on the corporation itself. But in terms of the mix, as I have tried to indicate this morning, we think that because of the relations between the two services, and having in mind the total service available, the board should be in a position, if it is regulating the private sector in terms of the mix, to have some comparable ability to establish regulations, presumably after public hearing and expression of the views of the corporation itself as to its capabilities to do things, that the BBG would have the authority to impose a comparable regulation on the private sector, but not necessarily at the same level, recognizing basically that the corporation has public funds available to it in addition to its commercial revenues. In view of this, it may very well be expected that the CBC would go further in certain directions, or not so far in other directions, as one might expect from the private sector.

Mr. MUNRO: When Mr. Ouimet was before the Committee he indicated some resistance to the idea that the CBC should be under obligation, in terms of any definite limit, to raise moneys commercially from sponsored programs, and so on. I do not think you have expressed any view on that. I do not know whether you care to do so now or not.

Mr. STEWART: As I recall, the White Paper proposes that the CBC should continue to secure 25 per cent of the total television commercial revenues obtained in the total broadcasting system. As I understand it, Mr. Ouimet and the corporation take the position that this will inevitably mean increased commercialization of the CBC's operations, and they resist this because of the consequences that they see for the balance of their program. If they have to get

more commercial revenue, then they will have to ensure that their programs will attract more commercial revenue and this will affect, then, the balance of programs and their capacity to do the kind of minority programming which they do very well, and which is undoubtedly part of their mandate.

We have some difficulty in knowing precisely how far this policy in the White Paper will increase the amount of availability of time for commercials in the CBC. There is also the question of rates and we certainly hear from the private sector that the CBC rates are too low and that the CBC could increase its revenues by increasing its rates. We have no responsibility for rates, and we have no considered judgment on how far this is the case, but certainly, as the demand for commercial content on television increases, as undoubtedly it will with the growth of the economy, we would expect that there would be some increase in rates in broadcasting generally and that some part of this 25 per cent would come from an increase in rates without necessarily increasing the amount of availability. But I would suspect, personally, that it would become necessary for the CBC to open up more time for commercials in order to sustain the 25 per cent, and I have a feeling that Mr. Ouimet is not wholly wrong in the position that he is taking. He has some grounds, I think, for being concerned, but how deeply he should be concerned about it I do not know.

Mr. MUNRO: Would it be fair to say that the less dependent the CBC was on any policy that is laid down on commercial revenues, the less comparable would be the standards that you would apply in private broadcasting areas as far as obligations in terms of Canadian content, and so on are concerned?

Mr. STEWART: I assume that you mean that they would have ample—whatever ample means—funds from the public purse. If you cut out the commercial revenue and you do not offset this in any way or to any extent by revenue from public funds, this would seriously limit the programming capacity of the CBC.

Mr. MUNRO: Dr. Stewart, getting back to this very general philosophy of the predominance of public broadcasting in the country, and your very clear statement that in general terms you would like direction as to the future of public broadcasting in these terms from parliament, how do you set out the relationship between a third network in this country and that type of direction?

Mr. STEWART: Mr. Chairman, we have announced a public hearing on the question of a third network, specifically the proposal that was put before us by the late Mr. Soble, and I would like to express here our great regret at his passing. It may be that we will have to reconsider our position with respect to the March hearing because of Mr. Soble's personal involvement in it. We are putting this up for public hearing because our experience is that it is extremely helpful to the board to get expressions of opinion on the consequences of a particular action from a variety of sources. When this proposal was put before us there was no opportunity for anybody else to comment on it. The corporation could not comment on it, the CAB could not comment; there were no other comments. We are very hopeful that if we proceed with this and deal specifically with this question of determining the consequences of the technical capability of setting up a coast to coast network by satellite distribution, we will be in a much better position after that public hearing to answer this specific question.

Mr. MUNRO: Is it your belief that after the hearings you will be in a position to advise parliament on who is to predominate in terms of a third network, or what the character of it should be in terms of ownership? I am having difficulty in reconciling your feeling that you would like to operate under some general direction as to the future of public broadcasting in this country, especially on the structural side. You would like to have some general direction from parliament and I would think you would also want some general direction, perhaps subject to your advice, as to a third network in this country and the character of its ownership. Would that be correct?

Mr. STEWART: That would be correct, yes. As far as the hardware and the technique are concerned, this is something which is determined by technology. Who is going to own the hardware up there is a matter which involves international considerations, as well as national considerations, and I think it is clearly a matter on which ultimately the Parliament of Canada will have to decide; but as far as the network on the ground is concerned, the transmitting stations which would all receive the same signals, and this network aspect of it, we would certainly hope to be in a position to give some advice to the government on the effects of this and the way in which it could be integrated into the whole broadcasting structure. It is inevitable; it is going to happen one way or another; the capability of doing this will be there. We would like to be well prepared to give whatever advice we can to the government on the consequences of this. We are not really in a position to do this at the present time.

The CHAIRMAN: Mr. Munro, would you permit some of the other members to ask questions. Dr. Stewart will be back again before we are expected to prepare a report.

Mr. PRITTIE: Mr. Chairman, on a point of order on that, our time is limited, since we have to be out of here by 11 o'clock today and you have another item of business which you have to bring before this Committee before we finish. As you said, we would need another meeting. I would like to recommend that we try and have the briefs from the witnesses in advance of the meetings. I believe the Consumer Price Committee is doing this now. Dr. Stewart has presented another statement this morning. We will have another meeting and so we will be able to deal with it then. It is very difficult to deal with these complex things on the spot, without advance warning.

The CHAIRMAN: That is quite a reasonable request and perhaps the Clerk could ask future witnesses to provide us with copies of their briefs in advance. Mr. McCleave, you are next.

Mr. MCCLEAVE: Dr. Stewart, in my first question, I shall have to assume that the famous bedroom program on "Sunday" was obscene, since I did not see it, but assuming that, is there any way now that the Board of Broadcast Governors could exercise control over that type of program, since it is on the national network?

Mr. STEWART: I agree that there is no use dragging the CBC into magistrate's court and getting $150 fine again; as the White Paper says, this is ridiculous. I do not see that the suspension of licence, which is another enforcement power which the board has, is really applicable to the public service. If you

suspend a station you not only penalize the station, but you penalize the public by taking the service off the air and therefore these means just do not seem applicable to the public service and the public corporation. The White Paper says we would have to give them direction. We are very much concerned about this, and I must say frankly that my own view of the "Sunday" affair is that it was, and still is, an internal management problem basically. If you tell the board to give directions to the CBC on internal management problems, you are in great difficulty and I do not see how a board of directors of the CBC can operate under these conditions.

Mr. McCLEAVE: Dr. Stewart, this morning you suggested that the CBC directors be held accountable for such an incident, but to whom would they be held accountable; you did not say where.

Mr. STEWART: I think they should be accountable to parliament.

Mr. McCLEAVE: They should be brought before a parliamentary committee or called into the Secretary of State's office?

Mr. STEWART: Well, the government appoints the directors, and if it says the directors are responsible for the public acceptability of the program, and the directors do not perform in the way in which the government thinks they should perform, fire them.

Mr. McCLEAVE: It is a thought that has occurred to some, but can I follow this just a bit more and say would it not be possible to work out a formula so that you, the Board of Broadcast Governors, could ask a number of the directors to appear before you to account for that type of program, to defend it.

Mr. STEWART: That is certainly not impossible. You can do it that way, but we say on balance we think it would be unwise for you to do it that way, because at some point you can push the intrusion of the BBG into the running of the CBC to a point where you might as well drop the directors of the CBC and recognize the BBG as the directors of the CBC. We are asking you not to push it to that extent.

Mr. McCLEAVE: With all due respect, Dr. Stewart, I think that as parliamentarians we would be very concerned if directors were held either accountable directly to government, to the Minister, or to a parliamentary committee. We think—or I think—the lesser of two evils would be that you people establish a rapport. I know it is a clash of two empires; that is pretty obvious from Mr. Ouimet's attitude and has been since the BBG was established. I shall not ask you to comment on that, because that is my own observation.

You also mentioned the different levels of Canadian content between private and public sectors of the broadcasting and telecasting industry. Have you also considered the upgrading of level or levels of Canadian content from time to time; that is, you would inform the stations that within the next five years, the amount of Canadian content must increase by one or two percentage points a year. Have you considered that approach, sir?

Mr. STEWART: Yes, we considered this actually at the time we adopted the Canadian content regulations, and I would like to remind you that there never were Canadian content regulations until the BBG imposed them in 1961.

Mr. McCLEAVE: I am aware of that.

Mr. STEWART: We did consider a progressive amount, but the board's view was that while the Canadian content must be a very important part of the total content of broadcasting, we do not think it should be the whole part. We think that international communication, as well as national communication is important, and so we set a level which we thought was appropriate in terms of this balance; that we should have at least this amount of Canadian content. If stations and the corporation are able, because of the acceptability of Canadian programming, to go further than that, then they may do that. We felt that if they reached 55 per cent, this was at least an acceptable balance between communication in Canada and communication between Canada and other parts of the world.

Mr. McCLEAVE: I would like to move to a third area. Would it help the Board of Broadcast Governors if the CBC should come before you with a five year plan of capital expansion, laying it out year by year, Saskatoon, Saint John-Fredericton, Sudbury, with a definite time for opening the stations in these areas, plus, or course, the satellites in the more remote areas of the country?

Mr. STEWART: Mr. McCleave, I do not think that would work. This is a very dynamic industry, and it ought to be a dynamic industry and it can be dynamic and to try and freeze it in a pattern for five years would not be wise. I think you have a sense of direction over five years; you know the general lines that you are developing on, but I think you would have to review it every year in order to decide what you do next.

Mr. McCLEAVE: My final question—I have others but I will wait until the next meeting for them, since time is running out—relates to that statesman-like bill on the order paper dealing with duplicate coverage of the Grey Cup football game. Has the BBG given any thought towards solution of this type of problem, or are we still the captives of the advertising agency and the advertisers that have control of the game?

Mr. STEWART: Well, Mr. McCleave, you are as well aware of the complexities of this problem as we are. We agree with you that in principle duplication is not good. We may feel that the problem in the case of the Grey Cup game is relatively minor because of the almost universal interest in the game; but in principle we agree with you. In practice we have found really no other solution.

Mr. McCLEAVE: But these are being looked for, are they, or another solution is being looked for? If we could just hold out even a glimmer of hope to the people who do not want to watch the Grey Cup football game, it would be very helpful.

Mr. STEWART: Well, I would think that if parliament and the government went wholeheartedly for complete duplication of the CBC service and the private service, we could then leave it up to the competitive situation to decide which network got it. Everybody would get it on the one network, so there would be no problem at that point; so the quicker we get to that situation, the better.

Mr. McCLEAVE: My bill also suggests that power to add satellites or stations from another network to see that every Canadian does get the game; does this approach appeal to you? Then I can go back to parliament and ask them to pass it.

Mr. STEWART: It does not appeal to us to require cross-programming of this kind of event between networks.

Mr. McCLEAVE: No cross-pollination within the networks. Thank you.

Mr. SHERMAN: Dr. Stewart, I am just as interested in some of the things that the White Paper does not say, as I am in some of the things it does say. I appeal to the indulgence of the Chair to allow me to ask a couple of questions in that area, because they have a bearing on general broadcasting policy, in my opinion; and I trust the Chair will agree. I wondered, sir, where the Board of Broadcast Governors, through you, stands at the present time on the 48 hour embargo on political broadcasting prior to elections. There is a good deal of dissatisfaction in communities across the land with this blackout, particularly in so far as the various absurd anomalies that can arise are concerned. I would not presume to go into them; I am confident you have been acquainted with, and have researched a great many of them. But I would like your opinions on the blackout, sir. Mr. McCleave was asking a moment ago for a glimmer of hope for those persons who do not like football, and do not enjoy walking, and do not enjoy reading books, and therefore have nothing to do on Grey Cup day. I would like your opinion on the blackout and the possibility that perhaps a glimmer of hope exists in that area for some of us who feel handicapped by it—and I am speaking now as a representative of a community, not as a politician.

An hon. MEMBER: What is the difference?

Mr. SHERMAN: Ask my community.

Mr. STEWART: Mr. Chairman, we are against the 48 hour blackout, and it is at least four years since we recommended it to be withdrawn. It is in the legislation, so it is entirely in your hands. It is required by the act, and there is nothing we can do about it at the moment; but you can take it out, and we hope you will.

Mr. SHERMAN: Well, it is encouraging to hear that view reinforced, sir. You do not say anything, nor does the White Paper, about broadcasting's responsibilities and obligations in the field of editorial direction and editorial opinion. There does not seem in the private sector to have been—with a few notable and singular exceptions—much initiative exercised in this field since the age of television dawned in Canada. Is this intentional on the part of the board that you have perhaps avoided specific references to this area of programming?

Mr. STEWART: Mr. Chairman, when the board was established, and we took over the existing regulations and the general policy which had been applied up to that time, we learned that it was not permissible for stations to editorialize. By editorializing, I mean that the management and ownership of the station express its own corporate views on the air. If you mean freelancing editorializing, of course, that is a different matter; but if we are talking about a station using the time it has available on the air to say: "this is the position of the station on this matter"; this was not permissible. We have allowed this to open

up. I think that many of our regulations were conceived in the early days when you were dealing mainly, perhaps, with one station situations. In a one station situation there would be concern, I think, if the station propagated the views of its ownership or management exclusively on the station; and this, I think, we should try to avoid.

In the metropolitan areas, however, where you have many radio stations, a number of television stations, and perhaps more than one newspaper, you have a multiplicity of expression. I do not think one has to be concerned about this. On the whole, I think it is a healthy thing for the station to stand up and be counted on things. But one has to be careful as to particular situations perhaps in which it occurs; but as I say we have allowed editorializing on stations since we came in.

Mr. SHERMAN: Well, in my experience in broadcasting, sir, my impression was—and continues to be—that this paucity of activity in that field results from a timidity on the part of the broadcasters more than from a result of any kind of overt or covert regulation or suggestion inhibiting that activity. It seems to me that here is a hangover in the attitude of broadcasters from the early days where they feel that they are still regarded by some sections of the community, and some authorities, with some suspicion, and they have to prove themselves. They have to prove that they are objective, honest, and non-partisan, and they are very reluctant and very timid about participating in thought leadership, and thought direction in the community. It seems to me that broadcasting will never really fulfil its proper role in the country until broadcasters accept, and assume, and learn to live with and fulfil that responsibility. Are you inclined to that view?

Mr. STEWART: Yes. Mr. Chairman, I have been looking for an opportunity, with your consent, to involve my colleagues in this dialogue. I think Mr. Juneau might comment on Mr. Sherman's question.

Mr. JUNEAU: Well, I will do it with great caution, Mr. Chairman, because I still have very little experience. But on this particular subject, the board has been considering developing its policy on the whole subject of controversial broadcasting, and editorializing is bound to enter into that framework. Perhaps, if we succeeded in developing a more elaborate framework for controversial broadcasting, then the stations would be less fearful of entering that field because they would know that there is a sort of procedure that would apply automatically if they get into trouble.

Mr. SHERMAN: Yes, and this might be really one of the unexpected side benefits of exercises in experiments like the "Sunday" program and like "This Hour Has Seven Days" and that whole ferment in that area of broadcasting. Out of that may come some guidelines which would encourage private broadcasters to exercise some of their responsibilities in the field of editorializing and thought direction, well, not thought direction, but in terms of participating in the social and political dialogues in the country.

I am keeping an eye on the clock, Mr. Chairman because I know Mr. Prittie has a couple of questions. I would just like to ask one more and that relates to Section 11 of the White Paper. I am still not clear, Dr. Stewart, on really what the White Paper means in Section 11 or what the BBG has in mind as its reaction

to the recommendations. In Section 11 the White Paper recommends that legislation in this area of inflicting penalties for breaches of the regulations will provide for appeal to the courts on questions of law but not of fact against any decisions of the board. You have pointed out that your board is not keen on the idea of monetary penalties or suspension of licence and I am still not clear on what sort of enforcement, what sort of principle or practice of enforcement, you envisage in this whole area of penalizing broadcasters for breaches of regulations. What kind of enforcement is available to you? You say that we give them directions, but what if they do not follow those directions? Does it not necessarily follow then that there has to be some subsequent step in the area of penalties?

Mr. STEWART: My reference earlier was entirely to the CBC. As far as the private sector is concerned, we do, now, have the opportunity for summary conviction in magistrate's court and fine. We then have powers to suspend licences up to a three month period of time, and presumably we have a final authority in not recommending the renewal of a licence, so that we have a gradation of penalties that can be applied, and as far as the private sector is concerned these may be quite adequate.

I have suggested, I did last time I was here, that possibly in the case of excess commercials that an assessment by the board of the value of these and the power to collect this from the stations would be better than dragging them into magistrate's court in order to have a fine levied on them. But, I do not think really that the existing enforcement authority given to the board is inadequate as far as private stations are concerned.

Mr. SHERMAN: Thank you, Mr. Chairman.

Mr. PRITTIE: Mr. Chairman, I know you have another item of business so I will content myself with a 30-second comment. Mr. Sherman has brought up this question of editorializing. I have not noticed any reluctance, I can recall, when Mr. Jamieson was involved with CKPM, all day long I used to hear snippets of what Don Jamieson thought about different subjects. And CHQM in Vancouver editorialized regularly. I have not seen this as a problem. The stations I listen to seem to have been quite free, felt free to have editorializing, and I do not object to it. But I know you have an important item of business, Mr. Chairman, and I will leave my questions to the next session.

Mr. MCCLEAVE: Merry Christmas to the Board of Broadcast Governors.

Mr. MUNRO: May I ask just one quick supplementary?

The CHAIRMAN: Please make it very brief.

Mr. MUNRO: With reference to this study you are giving now to the setting up of more elaborate regulations, if you like, to editorializing and controversial broadcasting, I understand the board has also set up a special study on the effects of multiple ownership. Are you tying the two in together?

Mr. JUNEAU: Well, not administratively, let us say, but I think in another way the answer to your question would be yes. In other words, the study we are undertaking on multiple ownership will not be only a descriptive study of the structure of ownership of broadcasting stations and thought media ownership between broadcasting stations, other media of information and entertainment, it

will also be a study of how the structure affects or does not affect the provision of information and programming generally to the public.

The CHAIRMAN: Thank you, Dr. Stewart, Mr. Juneau, Mr. Sim for coming again. We hope to see you on another occasion soon. On behalf of the Committee, best wishes for the New Year.

Now, gentlemen we have to deal with the 13th report of the subcommittee on agenda and procedure in which your subcommittee recommends that:

(1) The following officials be invited to appear before your committee: the Director General of the British Broadcasting Corporation; the Director General of the Independent Television Authority of the United Kingdom; the Chairman of the Australian Broadcasting Commission; the Chairman of the Australian Broadcasting Control Board.

(2) That reasonable living and travelling expenses be paid to the above witnesses.

Is there a motion for concurrence?

Mr. PRITTIE: I so move.

Mr. BRAND: I second the motion.

Mr. PRITTIE: Mr. Chairman, I think a word of explanation of why these particular ones are the ones the subcommittee thought about should be given. These are the two countries that have both private and public broadcasting and the ones most comparable to Canada. We did not consider countries that had just private or just public broadcasting.

The CHAIRMAN: Yes. If this report is approved an invitation will go forward to these officials and it is expected that they would be able to appear before the Committee during the month of January or the first few days of February. Is it agreed?

Motion agreed to.

(*Translation*)

Mr. PRUD'HOMME: Did you think of inviting people from Australia, Great Britain, did you consider inviting your opposite number in France, for example?

Mr. PRITTIE: There is no private broadcasting in France.

(*English*)

The CHAIRMAN: Is that a sufficient answer?

Mr. PRUD'HOMME: Is that the only reason?

The CHAIRMAN: That is the only reason, yes. Perhaps though the Committee might want to consider sending you or some other Committee members to investigate that personally, Mr. Prud'homme.

The next meeting of the committee will be—

Mr. PRUD'HOMME: But we can come back on that later on, if we feel like it?

The CHAIRMAN: Yes. The next meeting of the committee will be at 8 p.m. on Monday, January 9, probably in this room. There will be another meeting of the

Committee on the following morning, at 9.30 a.m. Tuesday, January 10. At both these meetings the President of the Canadian Association of Broadcasters will be in attendance with some of his colleagues. If the house should be in session before January 9, it might be possible to arrange an earlier meeting. But, in any event the President of the Canadian Association of Broadcasters will be here on Monday evening, January 9, and Tuesday morning January 10.

OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

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LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 33

MONDAY, JANUARY 9, 1967

WHITE PAPER ON BROADCASTING (1966).

WITNESSES:

From *the Canadian Association of Broadcasters:* Messrs. J. A. Pouliot, President; T. J. Allard, Executive Vice-President; J. R. Peters, Vice-President, Television; and H. A. Crittenden, Member of Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25490—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Johnston,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	Mr. Mather,	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, January 9, 1967.
(51)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 8.10 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Asselin (*Charlevoix*), Berger, Brand, Cowan, Fairweather, Hymmen, Jamieson, MacDonald (*Prince*), Mackasey, Macquarrie, Mather, McCleave, Pelletier, Prittie, Prud'homme, Richard, Simard, Stafford, Stanbury—(19).

Members also present: Messrs. Choquette, Émard and Klein.

In attendance: From The Canadian Association of Broadcasters: Messrs. J. A. Pouliot, President; T. J. Allard, Executive Vice-President; S. C. Ritchie, Vice-President Radio; J. R. Peters, Vice-President Television; H. A. Crittenden, Member of Board; J. L. Moore, Member of Board.

The Chairman read into the record his exchange of correspondence with the Speaker of the House of Commons relating to radio and television broadcasting of a Committee's proceedings on an experimental basis. (*See Evidence*).

It was agreed that this subject matter be further considered by the Subcommittee on Agenda and Procedure.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

The Chairman called Mr. Pouliot, who, after introducing his officials, made a statement outlining the views of his Association on the White Paper.

Mr. Pouliot was examined on his statement, assisted by Messrs. Allard, Peters and Crittenden.

The examination of the witnesses still continuing, at 10.00 p.m., the Committee adjourned until 9.30 a.m. on Tuesday, January 10, 1967.

M. Slack,
Clerk of the Committee.

25490—1½

MINUTES OF PROCEEDINGS

EVIDENCE

(Recorded by Electronic Apparatus)

MONDAY, January 9, 1967.

The CHAIRMAN: There being a quorum, this meeting is called to order. Before proceeding with our witness this evening I would like to report to the committee that in accordance with the direction given at our last meeting I wrote to the Speaker on December 13 as follows:

> I am instructed by the Standing Committee on Broadcasting, Films and Assistance to the Arts to convey to you the committee's opinion that consideration should be given to radio and television broadcasting of a committee's proceedings on an experimental basis. Enclosed for your information is a copy of the 12th Report of the committee's subcommittee on agenda and procedure which was adopted by the committee at its meeting last night.

I received a reply from the Speaker dated December 15, which reads as follows:

> This will acknowledge your letter of December 13 in which you bring to my attention the recommendations contained in the report of your subcommittee on agenda and procedure.
>
> I am sure you share my doubts as to the committee's authority to submit recommendations regarding radio and television broadcasting of committee proceedings. Looking over the terms of reference of the Standing Committee on Broadcasting, Films and Assistance to the Arts it would appear that it is not empowered by the House to consider the proposals contained in the subcommittee's report.
>
> In my view authority to broadcast or telecast committee proceedings can only be given by the House of Commons itself and I, as Speaker, cannot substitute my judgment for that of the House in this regard.

I have written further to the Speaker on January 5th as follows:

> Thank you for your advice with respect to the Report of the Committee's subcommittee on agenda and procedure adopted by the Committee on December 12. It may be that the committee will wish to seek an enlargement of its terms of reference from the House to permit submission of recommendations regarding broadcasting of proceedings. It has made no such recommendation yet, of course but has simply conveyed to you its opinion that consideration should be given to this matter. Although it is your view that authority to broadcast committee proceedings could be given only by the House of Commons perhaps with knowledge of this committee's opinion there might be justification for you as Speaker to institute a study of the practicability of such an innovation.
>
> I would be glad to discuss the matter further with you if you wish at your convenience.

It would be my suggestion that this matter now be left in the hands of the Steering Committee for any further consideration. Is that agreed?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: We have with us this evening the representatives of the Canadian Association of Broadcasters headed by its President, Mr. J. A. Pouliot of Quebec City. I am going to ask Mr. Pouliot to make a presentation to the committee, after which he will be glad to answer your questions.

Mr. J. A. POULIOT (*President, Canadian Association of Broadcasters*): Thank you, Mr. Chairman and gentlemen. With me this evening are: Mr. T. J. Allard, Executive Vice President of CAB; Mr. J. H. Moore, a member of our Board of Directors and President and General Manager of CHLO in St. Thomas and CJSP in Leamington, Ontario; Mr. Ray Peters, Vice President, (Television) of the CAB and President of CHAN-TV in Vancouver and CHEK-TV in Victoria; Mr. S. C. Ritchie, Vice President, (Radio) of the CAB and President of CKLW AM and TV in Windsor, Ontario and Mr. Harold Crittenden a member of our Board of Directors and Vice President of CKCK-TV in Regina.

Shall I go ahead with my opening statement?

The CHAIRMAN: Please proceed.

Mr. POULIOT: The Canadian Association of Broadcasters, l'Association Canadienne des Radiodiffuseurs includes in its membership 252 radio and 55 television broadcasting stations, as well as the CTV Network.

We estimate that as of the end of 1965, the stations employed nearly 9,000 people with a total payroll approaching $50,000,000. Estimated capital investment in somewhat over $200,000,000.

The Canadian Association of Broadcasters, l'Association Canadienne des Radiodiffuseurs also has 71 associate members.

With few exceptions, most of our member television stations now operate between 12 and 16 hours daily; most of our radio broadcasting members between 18 and 24 hours each day. We estimate that in an average current year our member stations offer Canadians in the order of 1,500,000 hours of programming; of information, education and entertainment.

Most Canadians receive most of their broadcasting service from the day to day operations of our member stations and these are fully cognizant of the responsibility this entails.

It is from this background of daily experience "in the field"—from membership experience that in many cases goes back 30 or more years—that The Canadian Association of Broadcasters, l'Association Canadienne des Radiodiffuseurs offers the written comments you have already received on the White Paper and will answer to the best of our ability any questions this Committee may care to ask in the discharge of its own heavy responsibilities.

In our written submission we have noted our belief that the "White Paper on Broadcasting 1966" represents the most thoughtful and objective public statement on broadcasting so far produced. The White Paper recognizes that broadcasting is an extremely complex art and science; that its technology

changes with almost unbelievable speed; and that, as a result, the regulatory structure surrounding it must be broad, flexible, quickly adaptable to change, permitting broadcasting a ready capacity to adjust to new, constantly changing forces.

There is another factor of importance in this area that we have touched on lightly in our written submission. We think it of sufficient importance to emphasize it again here.

First, broadcast material is heard and seen by Canadians at their will and by their choice. No one can force Canadians to watch or hear any programs at all, let alone particular material. Each individual Canadian is in the final event the arbiter of his own destiny when it comes to broadcasting material.

To have any real value, to be capable of accomplishing any objective at all, programming must in the final analysis be so designed that it will invite the voluntary and deliberate choice of Canadian listeners and viewers.

Second, broadcasting does not operate in a vacuum. However much we might wish otherwise, Canadians have a very wide range of alternative choices in their pursuit of information, education and entertainment. Nearly every Canadian who can turn to broadcasting when he wishes and only when he wishes, can also turn to daily and weekly newspapers, magazines, books, motion pictures, an increasing variety of indoor and outdoor sports, to special day or night classes, or even to conversation. Moreover, at least 80 per cent of Canadians can receive signals from U. S. radio broadcasting stations; and United States television signals are available in the heavily populated areas of Ontario, British Columbia and Quebec.

All these significant factors must be taken into account when dealing in any way with broadcasting in our country and most particularly in terms of legislation and regulation.

The White Paper indicates it is the government's intention to introduce new broadcasting legislation. If this be based on the philosophy and recommendations of the White Paper we believe, in the main, it would be useful and sound.

To summarize our written comments on the White Paper's recommendation, the Canadian Association of Broadcasters feels that:

1. In view of the rapidly expanding and changing technology of broadcasting, there is urgent need for further formal consultations and agreements at the international level.

2. The impartial agency of regulation advocated by the White Paper, and with the structure it recommends, is the most practical and effective system for achieving objectives of public policy that appear to find general agreement.

3. The White Paper recommendations for extension of television broadcasting service are soundly based.

4. Conditions of licence, if adopted in the form recommended by the White Paper, should take into account all the factors we have mentioned and make due allowance for all of these. In the area of ownership, station's operating record should be the major factor taken into account

by the Board of Broadcast Governors when assessment is being made of the public interest at the time of issue or renewal of a licence.

5. The recommendations of the White Paper on instructional television and those on community antenna television and related systems are sound and practical.

6. The White Paper's recommendations relative to the Canadian Broadcasting Corporation are in the main sound, although its recommendations concerning the CBC's commercial policy need clarification.

7. The political section (17) of the Broadcasting Act requires modification.

8. The position of broadcasting as an integral part of the press and the information agencies of Canada should be recognized clearly in any new legislation.

There are two particular areas of the White Paper's recommendations we feel might merit further careful study. First of these is the suggestion that (a) the Board of Broadcast Governors have "full power to issue broadcasting licences" subject only to two conditions, and (b) that there be appeal to governor-in-council against decisions of the Board in exercise of this power.

As noted in our written presentation, we find ourselves wondering if the most cogent arguments in favour of the first part of this recommendation are not vitiated by the nature of the appeal forum suggested in the second part, although we do believe that formal provision for appeal must exist.

This is a matter of utmost importance and complexity. There are at least two important schools of thought concerning it. One holds that a matter as important as the issue of a broadcast licence should remain in the hands of the people's elected representatives. This argues in favour of the present system.

Another school of thought prefers to see issue of licence removed insofar as practicable from what is called the sphere of "political influence". Adoption of this philosophy would argue in favour of having the BBG issue the licences itself.

Yet, if appeals can be taken to the Governor in Council, we are right back into that area of concern to this school of thought. We think it likely that any dissatisfied applicant would utilize this avenue of appeal.

It seems highly desirable to have appeal procedures. Is it possible, therefore, that the White Paper's recommendation falls between the two stools? If this be the case, there is probably merit in considering either: (a) Retention of the present system, or (b) BBG authority to issue broadcasting licences, but with power of appeal on questions of both fact and law to some body such as the Exchequer Court of Canada.

It is suggested that retention of the present system would prevent implementation of the recommendations put forward on pages 11 and 12 of the White Paper that there be individual conditions of licence. Possibly this objection could be overcome by issue of two licences. One of these, technical in nature, would be issued by the Department of Transport as at present; the other by the Board of Broadcast Governors itself, or by The Governor in Council upon recommendation of the Board.

The second area deals with penalties and appeals. Obviously, the Board of Broadcast Governors, to be effective, must possess some punitive power. In many cases it is desirable that the Board should have some disciplinary power short of "capital punishment", that is the suspension or revocation of licence.

At the same time, we find ourselves wondering about the advisability of placing any one group of people—no matter how wise or well-intentioned—in a position where it writes the regulations, enforces them, decides when they have been breached and then on its own initiative levies and collects fines—especially when the same body also issues licences, attaches conditions to these, and may suspend or revoke them with no appeal to any other body save on questions of law.

Taken together, these add up to very powerful authority indeed, especially in a field as sensitive and potentially controversial as communications.

In most cases the body or individual who lays the complaint must have its merit adjudicated by another body or individual; both complainant and defendant putting their respective cases to a neutral and disinterested party.

The problem might be resolved by permitting appeal on questions of fact as well as law. Such safeguards may be even more important in the field of communications than in other areas.

Both penalties and appeal procedures are provided for in Sections 15 and 18 of the present Broadcasting Act. Section 15 does not vary substantially from similar provisions existing in previous statutes.

It may be that these represent sufficient safeguards; and we are not aware of any serious complaints concerning their lack of effectiveness.

We feel that Parliament, the entire broadcasting industry, and most interested segments of other Canadian publics, are on common ground in desiring that our country shall have the best continuing broadcasting service that all available circumstances permit.

We sense, and we hope accurately, that Parliament is willing to take advantage of the experience gained by both Corporation and private broadcasters in actual operation to try and achieve that end through legislation that is practical and flexible, recognizing fully all the complexities and difficulties involved. Certainly we are willing to be of whatever assistance in this regard that this Committee, on behalf of Parliament, may wish us to offer. Thank you, Mr. Chairman.

The CHAIRMAN: Thank you, Mr. Pouliot. Mr. Prittie, you are first.

Mr. PRITTIE: Mr. Chairman, I would like to ask first, because it may have a bearing on some of the questions we have, is the CTV network going to appear separately from the CAB?

Mr. POULIOT: Not to my knowledge.

Mr. PRITTIE: You have not had a request, Mr. Chairman?

The CHAIRMAN: No.

Mr. PRITTIE: You have listed the radio and television stations in Canada that you represent. Mr. Pouliot, do you have a rough idea how many radio and private television stations are not members of your association?

Mr. POULIOT: We represent about 95 per cent of the stations.

Mr. MACDONALD (*Prince*): I have a supplementary on that, Mr. Chairman. Is there any reason why the remaining 5 per cent do not belong? Do you know of reasons that would prevent certain stations from belonging to the CAB?

Mr. POULIOT: Well, I know of one or two who are not members simply because of financial problems. I think Mr. Allard might be in a better position to answer your question?

Mr. T. J. ALLARD (*Executive Vice-President, The Canadian Association of Broadcasters*): Mr. Chairman, I know of one or two cases where the problem of non-membership is purely and simply a financial matter. Perhaps in some cases we have not been quite as successful salesmen as we ought to have been.

Mr. MACDONALD (*Prince*): Is there a fairly stiff membership fee?

Mr. POULIOT: It varies with the revenue of the station. There are different classifications and the fee is proportional to revenue.

Mr. PRITTIE: I believe that there are a few major radio stations and a couple of television stations that do not belong.

I will just concentrate on a couple of points, Mr. Chairman because one member cannot deal with all the points raised in the brief. We are pleased to have received the briefs beforehand because, coming back as we did today, we have had at least part of today to look them over. I am quoting from page 8, the paragraph three-quarters of the way down the page:

> We share the view that broadcasting in Canada should "contribute powerfully in the future as it has in the past to the essential goal of Canadian unity."

And it goes on to say:

> To do that it must first of all have the necessary means.

Then on page 9 there is a list of the various licences that the stations have to pay, and so on. I do not quite see the purpose of that, Mr. Pouliot. Was there some suggestion that the stations do not have the revenue to do the sort of things the White Paper wants them to do?

Mr. POULIOT: Of course, I do not think we can put all stations in the same bag. I have not seen the latest figure, but I remember that Mr. Fowler said in the Fowler report about one-third of the radio stations are losing money. Obviously a station which is not making any money is in a difficult position to spend it on development of talent and this kind of thing. Of course this does not apply to all stations, but we are not all in the same position.

Mr. PRITTIE: I do not think it applies to radio stations at all. In fact, the amount of money spent by private radio stations on performing talent is virtually negligible. Are we not really speaking of television only here?

Mr. POULIOT: Do you mean the amount of money spent by radio stations on talent?

Mr. PRITTIE: Yes. I know you question what should be called talent, whether you include announcers, staff and so on; but I am talking about performers: actors, musicians, and what have you. We are really just speaking about television here in general.

Mr. POULIOT: I have the latest figures of DBS for 1965, and the amount of money spent by the broadcasting industry on what is called talent fees is $5.2 million. The performing rights cost $3 million—and this, of course, goes to talent mostly—and the profit of the same stations is $14 million. Of course the $14 million is only part of the story because out of that $14 million, according to DBS, $3 million had been paid in dividends and the rest was being re-invested in the industry in improvement of equipment, buying of new equipment, and so on. Perhaps someone here has a figure on investment for colour television for this year.

Mr. ALLARD: From 28 major stations the investment in colour television equipment is approximately $11 million. In a good many cases with the newer stations this would represent at least the total profit the stations have made since they began operating. The obsolescence factor in broadcasting is extremely high and is an extremely important factor.

Mr. POULIOT: And, of course, the question of what is talent is debatable. In my own case, for instance, I have eight announcers at my station; seven of them on staff and one is paid to do one morning show and one show in the evening. What this man is paid is considered to be payment of a talent fee, but what the other seven announcers are getting is not considered talent. This applies to people we know. I will give you a specific example, using a show that we have all seen, Miss Betty Kennedy. This very talented girl appears on Front Page Challenge and she gets a fee for doing this and this is considered money paid to Canadian talent. This girl is employed full-time by a private radio station in Toronto but her salary for that is not considered as money paid to Canadian talent.

Mr. PRITTIE: I will restrict my questions concerning talent to employment of performers on television and let it go at that for the moment and leave the radio part out. I know this question was raised about what should be considered to be talent, and in this context I refer to the people who play music, sing or act, and that sort of thing.

Before I put the next question I will read to you one of the harshest criticisms of your organization which has probably been made. I am sure you are aware of it, it was made by ACTRA and it was in their memorandum to the Secretary of State in April of 1966. In this memorandum they comment upon the Fowler Report, and so on. They criticize the CBC, and they have a special section for the CAB. I will read a couple of paragraphs from that because it deals with this question of employment of Canadian talent. This appears on page 12:

> The views of the Canadian Association of Broadcasters as published, although employing many words and encompassing varied aspects of the subject, can be summarized in a single plea: retention of the status quo. The Association of Canadian Television and Radio Artists believes that if this plea is listened to, particularly as it refers to the private broadcasters, a great disservice will be done to Canadian broadcasting and an even greater disservice to the Canadian public.
>
> The record of the private radio stations, in placing the interests of the shareholders first, last and always, with the public, whose airwaves are being thus utilized for personal profit only, nowhere, has been repeatedly

condemned by investigating bodies for many years. The privately owned television stations, particularly the so-called second stations, have an unmatched record for broken promises and a callous disregard to the public interest.

I will read one section below that under the heading of programming:

> The Committee on Broadcasting deplored the minimal lip service paid by the private broadcasters to Canadian programming and the utilization of Canadian talent. In their reply, the broadcasters have insisted that the Committee looked at the wrong figures, that all staff payments should have been included. This was not the idea of the television operators themselves when applying for their licences, however. An examination of the submissions made to the Board of Broadcast Governors reveals many statements similar to the following, taken from the transcript of the hearings before the BBG, this one made by CJCH Halifax. "In our calculations we include only payment to artists, commentators, actors, moderators, panel members and writers. We do not include any staff, operating or regular expenses... The amounts above represent disbursements to free lance people who will appear on such live programs."

That is fairly harsh criticism. The reason I asked about CTV at the beginning, Mr. Chairman, was that I feel there has been quite an improvement in the last few months in this respect, both in the use of Canadian talent and the number of public affairs programs which have been presented. Nevertheless I think the case has been made a number of times that the so-called second stations—and first stations in some cases—did not live up to what they promised in the employment of Canadian talent. If there were no talent to speak of in this country the question probably would not be a very important one, but I think we have in the major metropolitan centres people capable of putting on shows that the viewers will like. I cannot be too specific here, Mr. Pouliot, but this is a fairly strong condemnation which has been made of the lack of employment of Canadian talent, using talent in the sense that I defined it. Have you any general comment to make upon what ACTRA says?

Mr. POULIOT: I think part of the answer—which you have given yourself—is in the way ACTRA defines "talent". What you seem to be saying is that we are not employing enough ACTRA members, if I understand you correctly.

Mr. PRITTIE: I am sure they would make that case, but the majority of the people who act in—

Mr. POULIOT: This may be a problem. I am not too familiar with ACTRA. I know our own announcers are members of the Artists Union in Quebec. Whether they report the money they get from us as a talent fee, I do not know, and whether our own union is a member of ACTRA is something else I could not state. You probably have a point on the criticism of the second television station. I imagine the second television stations, when they applied for licences, made promises, and when I say second television stations I include all second television stations, private and CBC. I am sure they were sincere when they made the application and the BBG must have thought they were sincere, otherwise they would not have issued the licence. This goes back to 1958. The experience of the

people who were applying for a second licence was limited, except possibly in the case of the CBC. The BBG was not too experienced. It may very well be that these people have tried to meet the commitments they have made and have been unable to do it. They may have gone back to the BBG to explain this.

Mr. PRITTIE: I think Dr. Stewart did admit this point when he appeared before us. In effect he said the BBG were not too strict about enforcing the commitments in the first few years because of the financial position of the stations, but in the latest report of the BBG, which I do not have with me and which I did quote from before, it mentions that the over-all financial picture of the stations had greatly improved, particularly those in the major centres. While I am on that point, Mr. Chairman, and perhaps in fairness to Mr. Pouliot, I wonder if any of the other members who are accompanying him would like to make a comment on this point?

Mr. POULIOT: I would like to make it clear that it seems to me that the problem here is the fact that they are "second" stations, not the fact that they are private stations. I know in my own city we have a CBC station and they have made promises. The licence was applied for by a CBC station and a private station, and the CBC made a lot of promises and they got the licence. I am not sure that all the promises they made have been better fulfilled than the promises made by CFTO. This is probably simply the difficulty of a second station coming into a market.

Mr. PETERS: I would like to make a few general comments on your points.

I am sure that the ACTRA union members would like to see us doing a lot more. I think this is their mission and I would be surprised if they made any other case. But in our particular instance, speaking on behalf of the second stations, CHAN-TV in Vancouver, whom I represent here this evening—

Mr. PRITTIE: That is in Burnaby, is it not, Mr. Peters?

Mr. PETERS: We are located in Burnaby and we are doing more than we said we were going to do at the time of the application and we intend to do a lot more than we are doing now.

Mr. PRITTIE: Thank you. I have one or two other questions I wish to ask. On the question of multiple ownership, you have noted that the White Paper shows concern on this subject. Can any of the members of the delegation tell me if there are cases in Canada now where the only newspaper and the only television station in a city is under the same ownership?

Mr. POULIOT: I believe this would apply—

Mr. H. A. CRITTENDEN (*Member of Board, The Canadian Association of Broadcasters*): There are other radio stations and other television stations.

Mr. PRITTIE: No, I am referring to the case where in a city you just have one newspaper—and this obtains in many places—and one television station and they are under single ownership. Do we have this situation?

Mr. POULIOT: Mr. Chairman, this applied to Sherbrooke until very recently and may apply in the case of Rimouski. These are ones I know of in the province of Quebec.

Mr. FAIRWEATHER: It applies to Saint John, New Brunswick.

Mr. POULIOT: Saint John. This came about through a very natural process. When television came of age, and let us go back to 1954, the public was crying for and demanding television, and the public went to the operator of the radio station and said, "You are in the radio business, you are in the broadcasting business, when are we going to get television?" At least in the case of Sherbrooke and Rimouski the operator was not too keen about going into television and very few people were at that time. There was no demand or contest for a licence. The people of Sherbrooke and Rimouski went in simply because of public demand and because no one else was asking for a television station, and they were not that happy about it. When they did get the licence the happiest people in these cities were the public, who finally had television. This came through a natural process.

Mr. PRITTIE: I am just pointing out that it is an area of concern and that you recognize it is an area of concern.

On page 13 you raise some questions about the power of the BBG to write regulations, enforce them and to decide when they have been breached and then, on its own initiative, levies and collects fines. You raise the question whether the same body should do all of these things. I would like to suggest is this not the same complaint the CAB made about the CBC a number of years ago, that it was making the rules and enforcing them at the same time, and partly in response to that complaint the BBG was brought into existence. Is this not the case?

Mr. POULIOT: The BBG is not operating television and radio stations in competition with us.

Mr. PRITTIE: That is a different point, yes.

Mr. POULIOT: This is quite a different point.

Mr. PRITTIE: But—

Mr. POULIOT: In addition to this, if they were operating radio and television stations in competition with us, both for audience and revenue, I think we would be in trouble.

Mr. PRITTIE: There were really three points there, but then you have the BBG, which is making the regulations and enforcing them, and you are opposed to them having judicial powers, is that the point?

Mr. POULIOT: We agree there must be some arrangement whereby the BBG has to have punitive power, but we are worried about too much power being given to the one authority, especially if you have not got the proper kind of appeal. I do not think the arrangement that exists today is actually that bad. I think it is working out fairly well.

Mr. ALLARD: Mr. Chairman, to put it simply, we are concerned about the White Paper's suggestion which seems to us to put the policeman in the position where he lays the complaint and levies the fine, instead of the position where the policeman lays the complaint and a magistrate decides whether it is a justified complaint or not and, if it is, levies the fine.

Mr. PRITTIE: This is a point we can look at, Mr. Chairman, in connection with other agencies, such as the Board of Transport Commissioners and the Air Transport Board, just to see how that operates.

I will conclude my questions now. I just want to clarify one point. Mr. Pouliot, in reply to my first question about the employment of talent, read some figures on the broadcasting industry. Was that the whole broadcasting industry, private and public, that you were referring to?

Mr. POULIOT: If I can take a minute I can probably give you the separate figures for radio and television.

Mr. PRITTIE: Does it include the C.B.C. and the private, or just the private?

Mr. POULIOT: No, just the private.

Mr. PRITTIE: That is all I wanted to know. Thank you very much.

Mr. MACDONALD (*Prince*): Mr. Pouliot, on the second page of your submission you refer to the way in which the whole communications process is getting much more complicated, and that it now becomes more a matter for international regulation and control than national regulation. You say that there is an immediate and present need for international agreement. I wonder if you could be a bit more specific and spell out what kind of agreement you think should be dealt with or brought into force internationally.

Mr. POULIOT: I think we have in mind here the satellite type of communications. I do not know whether I would want to go on record because this is a bit outside my field, but I think we should know where we are going. I think there has to be a limit, or some kind of control over the number of satellites that will be operating, just as there is for the other fields of licensing, where frequencies can cross borders and cause interference. Maybe someone in the committee would like to elaborate on this point.

Mr. ALLARD: Yes, we see the necessity, Mr. Chairman, for some kind of international jurisprudence on a matter in which none exists. Technology is well advanced. There are satellites. indeed, now and there will be satellites in addition to these, and at the moment the only limiting factor, indeed, the only important factor at all is purely economic. Now, it might be possible for some nation other than Canada or the United States or Great Britain or France to place in orbit a satellite over the North American continent in such a way that any subsequent Canadian communications satellite could not effectively communicate with the Canadian people, and it is this kind of international jurisprudence that we have in mind.

Mr. MACDONALD (*Prince*): Well, there must be some kind of international agency or liaison going on now. In the whole matter of television channels, and even in AM broadcasting over the last 20 or 30 years, there must be some kind of mutual agreement because there has been a pretty good allotment in terms of channels and bands.

Mr. ALLARD: There is a kind of limited agreement in NARBA and in the International Telecommunications Union, but as far as we are aware they have not concerned themselves directly with communications satellites and, apart entirely from the purely technological factors, there is as yet to our knowledge, and we have certainly searched diligently, no international jurisprudence of any kind.

Mr. MACDONALD (*Prince*): Would this be something you think an agency or perhaps, the United Nations might work on?

Mr. ALLARD: This would seem to me, at least, to be the easiest way of going at it, yes, through the United Nations.

Mr. COWAN: If the World Court can settle the Rhodesian crisis in the way they did, do you not think they can solve the radio and television problems, too?

Mr. MACDONALD (*Prince*): On page 5 of your document you—

Mr. JAMIESON: Is this the supplementary document?

Mr. MACDONALD (*Prince*): No, I am referring to the big one. In this document you refer to the collaboration that was proposed in the White Paper between the Canadian Broadcasting Corporation and the Board of Broadcast Governors on objective research into all matters bearing upon broadcasting in Canada, and you think that the CAB should be included in this. From reading the White Paper I think the only reason, perhaps, it was excluded is that it might be an additional burden of expense and it might not be too well received by the CAB. What is your understanding of this business of objective research and what contribution do you think the CAB might make in that kind of situation?

Mr. POULIOT: Well, I think that our members have a lot of experience in the field of broadcasting. I would not say they have as much as the CBC but we have a lot of people who have pioneered radio and television and have been in the game since the beginning. It is quite possible that they may have a contribution to make.

Mr. MACDONALD (*Prince*): Could you be a little more specific, though, about research. Are you thinking of research in terms of technical facilities like the satellite, or research in terms of the more or less cultural aspects of broadcasting?

Mr. POULIOT: I have the same type of research in mind that the White Paper had in mind, I guess.

Mr. MACDONALD (*Prince*): As the White Paper is not very clear, I thought maybe you might be.

Mr. ALLARD: I do not think that we can speak, of course, for the authors of the White Paper or for the Canadian Broadcasting Corporation. In our own minds, objective research consists of this kind of thing. We already know extremely well how many people listen to and view radio and television and when. In most cases we really do not know why, and this is the kind of research I, at least would like to see instituted in collaboration with the CBC and BBG. We are also aware of the fact that we must be having some impact after all these years on the community, but we are not quite certain what it is. Speaking personally again, I would like to see objective research conducted to find out what that impact is.

Mr. MACDONALD (*Prince*): And it is your feeling, Mr. Allard, that a number of the members would be interested in providing material and data on this kind of research?

Mr. ALLARD: Yes, sir. They have, in fact, expressed interest.

Mr. MACDONALD (*Prince*): Now, with regard to the BBG itself, on page 6 you raise questions about the continuance on the new BBG of part time members. Your statement is not clear to me, at least, whether or not you are for or against additional part time members, along with the 4 full time members.

Mr. POULIOT: We have, in the brief we submitted to the Prime Minister's cabinet committee, recommended 3 full time members, although I think that we would have no objection to 5. But taking into account the complexities of broadcasting, the flexibility needed, we suggested that the part time members be replaced by part time advisers, as this would allow more meetings of the Board of Broadcast Governors. For instance, the Air Transport Board can meet once or twice a month or every week without too many difficulties. The advisers would replace the part time members and they could bring in information. If a licence is proposed for a certain area of the country they could bring in the information on the thinking of the people of the area, more or less as they do today. In addition, at every hearing the public bodies are very well represented, whether it is the Chamber of Commerce or the service club, and so on, and we feel that the 5 full time members can get all the information they need on any particular area, but the voting power should be with the full time members only.

Mr. MACDONALD (*Prince*): Let me just clear something up here. These part time advisers, are you thinking of these people as being experts in terms of broadcasting or simply representatives of regions?

Mr. POULIOT: Representatives of the public; more or less as they are today.

Mr. MACDONALD (*Prince*): So you would generally concur with the White Paper's recommendation?

Mr. POULIOT: Yes, I would.

Mr. MACDONALD (*Prince*): Now, a little further on you talk about this whole business of political broadcasting, something which concerns many of the committee members here. On page 18 you raise questions about the whole business of political broadcasting and the way in which it is handled, and you suggest modifications in the present act. I am not just sure what the meaning is, in your own rewriting of paragraph 2 of section 17, where you suggest:

> A licensee shall immediately preceding and immediately after broadcasting a program of a partisan political character—

What is the essence of the change recommended in this draft amendment?

Mr. POULIOT: At the present time we have to, immediately preceding and following a program, as an announcement identify the sponsor and the political party or candidate. Now, in the case of a program this does not cause too many difficulties. We have enough time to say at the beginning that this program is paid for by the Liberal or Conservative party, and the same thing at the end. In the case of an announcement, the time allotted is so short that if you have to say it both at the beginning and at the end, the time left for the announcement is shortened too much.

Mr. MACDONALD (*Prince*): I agree with that. So, you are actually just recommending eliminating the announcement before the advertisement, rather than—

Mr. POULIOT: Either before or after, in the case of an announcement, instead of both at the beginning and at the end.

Mr. MACDONALD (*Prince*): You also recommend that the 48 hour ban, as it is presently spelled out, is really flaunted because it emphasizes something that I

had not realized before, that if a bye-election is taking place in Vancouver other stations under the legal interpretation of this paragraph would not be able to broadcast a political program in, say, Charlottetown.

Mr. POULIOT: Well, this is the way it is interpreted. I forget the exact wording, but it is something to the effect that no station shall have any broadcasts of partisan policy for the 48 hours preceding an election.

Mr. MACDONALD (*Prince*): Either federally, provincially or municipally?

Mr. POULIOT: That is right.

Mr. MACDONALD (*Prince*): And are you suggesting a complete elimination of that ban entirely? Do you not see a danger of there being undue influence exerted, say, at the very time the election is actually being held? In the case, say, of a federal election it might be quite possible for a political party to broadcast on the very day of the election the report say, of a public opinion poll which is favourable to itself and which would try and impress on the voters who are going to the polls at that moment that they are bound to win regardless of what is going to be the outcome of this person's particular vote?

Mr. POULIOT: Well, today they would be allowed to publish it in a newspaper, I presume, and I do not know that it would make that much difference if it is also on radio and television. Unless you have a ban which extends to all communications there is not much point in doing it on one medium.

Mr. MACDONALD (*Prince*): Have you considered the counter proposal, perhaps, of redrafting that particular section to read "in cases where stations are within the area of the election that is taking place", rather than just generally saying "elections taking place anywhere in the country"?

Mr. ALLARD: Indeed we have. The answer to Mr. MacDonald's question is that we have prepared literally hundreds of drafts, and the nature of broadcasting and the nature of the Canadian geography is such that none of these is workable in practice. In reply, I think that something additional might be said to your question about the possibility of certain kinds of publication by broadcast on the polling day. This kind of question in general has come up very frequently in committees of this type. I may say that we in the broadcasting industry are always pleased and flattered at the belief that members of the House of Commons have in the impact we can make on our respective publics, and we only wish that we could convince more of our sponsors to think the same way.

Mr. MACDONALD (*Prince*): Still dealing with the whole matter of political broadcasting, I am very happy to see you recommending much wider terms of reference in terms of what can be acceptable political broadcasting. I think that the kind of strictures that we have lived under in terms of political broadcasting have made for some of the dullest, some of the worst political programming and some of the worst programming that the country has seen, and it is no wonder that at election time the public in general get thoroughly fed up with political broadcasts because politicians are forced to make them deadly dull. I had this experience myself a year ago in finding out that behind a film clip, for instance, you cannot use canned music. At least, that was one of the regulations which seemed utterly ridiculous.

Mr. POULIOT: The idea behind the regulation was probably valid, but it has been carried too far.

Mr. MACDONALD (*Prince*): Just one final comment, and it relates somewhat to what Mr. Prittie was saying. I, too, am disturbed by the lack of opportunity available today to talent under the terms as defined by Mr. Prittie, and particularly on private radio and television I realize what some of the problems are. One of the hopes that I think a number of Canadians have had—I am thinking of radio specifically—is that something like the dominion network would have got off the ground, which it never really did in terms of private radio, and perhaps the CTV will make it.

You mention the transmitter licence. Has any thought been given by the CAB to the expansion of networks, both radio and television, through some form of subsidization such as the dominion network, in fact, had, in order that there be competitive networks, and networks that can offer opportunities to Canadian talent?

Mr. POULIOT: I think we have competitive networks now. Do we not have to look, somehow, at what talent is getting—even if you want to talk money only—and not only at what we are paying? We are instrumental in Canadian talent's getting a lot of money indirectly, thanks to radio and television.

In the province of Quebec, for instance, you have, today, quite a record industry. There are many thousands of singers and musicians getting money from the sale of records. This has happened because of radio and television. If we put an artist on our station—and I am talking personally—whether we pay him $5, $50, $100 or $1,000 may be nothing compared with the money he will get because he got on this station, because he sang his record, because he talked about it, because he advertised the fact that the record is available and because it has been made popular by our station or by the radio station. If I may again use my own station as an example—because I know the figures—I have been told that if an artist can get on our station and sing a song he will sell 10,000 records in Quebec City the next day.

To my mind this is a contribution to the talent of this singer and these musicians.

Mr. PRITTIE: Excuse me, Mr. Pouliot; yours is a French language station, is it not?

Mr. POULIOT: Yes. I have an English station, but it does not sell any records.

Mr. PRITTIE: What you are saying is more applicable to the French-language stations in Canada than it would be to the English-language stations, because you do make many more records by French-speaking artists than we do of English-speaking artists.

Mr. POULIOT: This has nothing to do with ownership of the station. I am sure it is simply because of the culture of the audience and the fact that we are not as much in competition with American talent as they may be in Toronto.

Mr. PRITTIE: This is the point.

Mr. POULIOT: But our contribution is there, anyway.

Mr. PRITTIE: The other factor that concerns me is that there are only so many centres where professional artists can expect to be employed in broadcasting—I suppose they could be counted on the fingers of both hands—unlike the early days of radio, when my home town station of Charlottetown had, I think,

two full time studio orchestras in the late thirties and early forties. I do not know whether any station in Canada today has a studio orchestra, big or small.

The hope of the network, radio or television, is that revenue can come in, in some way, from the smaller centres to provide employment for Canadian talent in the larger centres. This did not really get off the ground in radio, and I do not know whether that was the fault of the CAB, or the way in which it was set up, but it is to be hoped that it is not a forgotten dream either in radio or in television.

Mr. POULIOT: There is a problem, too, not only of developing the talent but of getting the public to want to watch it. I am sure that any talent that the public wants to watch will be put on either by the CTV or by any private station. If there is a demand on the part of the public for something it is our role to fulfill it.

Mr. MACDONALD (*Prince*): There are two sides to this. So far the main thing, which, at times, tends to push private broadcasters towards the use of local talent, is that there are some strictures whereby you must produce in terms of a sheet saying that you are encouraging local talent. Along with the penalties that are always possible if you do not do this, do you think that there should be some incentives either in terms of some subsidization of network facilities, or other kinds of incentives?

Mr. POULIOT: I do not think so. There is another point which I think should be brought up because it is not mentioned often enough. I do not want to take anything away from the CBC, but the CBC network is composed of a few CBC stations plus many private stations. If I may use Quebec as an example again, the CBC had only one station in the province of Quebec for 12 years, and the network was composed of private stations. Now, when an artist goes on in Montreal and is paid network fees and is seen throughout the province of Quebec, he is seen on private stations all over the province. If it were not for the private station—and assuming that he goes on locally in Montreal—he would not get the same amount of money. If he is paid by the sponsor on a sponsored show the sponsor is paying him because the artist is seen on the private stations throughout the province, and this, again, I think, is a contribution.

Mr. PELLETIER: In many cases is the station not also paid to carry it?

Mr. POULIOT: If the program is sponsored the station gets half the revenue and the CBC gets half.

Mr. PELLETIER: It is a comfortable contribution.

Mr. POULIOT: It is a comfortable contribution, perhaps, by us to the CBC, but I do not think that private stations could live on this.

Mr. ALLARD: There are two other factors, Mr. Chairman. The Canadian Association of Broadcasters has now organized a unit known as "The Program Exchange" which, in radio, is acting effectively as a substitute for a network in a day and age when this kind of substitute is more effective. It is also doing some work in television.

When we discover a program in any area that seems to have any merit we endeavour to make arrangements with the station to have the program recorded by us and made available to all our member stations. We have several

hundred programs now under way in the case of radio broadcasting stations, and about a dozen or so in the case of television stations, and this is very effective.

Secondly, in conjunction with one of the two great copyright societies, generally known as CAPAC, we are devoting a quarter of a million dollars over a five year period toward the deliberate encouragement of Canadian music and recordings of these, and the recordings are also being used by the broadcasting stations in addition to the monetary contribution.

Mr. JAMIESON: Mr. Chairman, perhaps I may be permitted a privileged comment at the beginning due to the fact that I was for a time the president of the Canadian Association of Broadcasters. I just want to say that I had no hand in the preparation of this brief. I have not attended a meeting of the association for about two years.

The CHAIRMAN: We believe you.

Mr. JAMIESON: Thank you very much.

I am going to begin by saying that I do not believe the association has done any better job than the white paper did on what I regard as a crucial issue here, which is the question of control. I think that the white paper "waffles" on this and I think that the CAB waffles on it.

I am just going to ask a few questions, if I may, Mr. Pouliot, of you or Mr. Allard or any of the others, to try to get this thing clear in my own mind.

Would you be prepared to say that you are reasonably well-satisfied with the present arrangement of control in Canadian broadcasting?

Mr. POULIOT: Up to a point I would say reasonably satisfied with the system of control. There are difficulties, and I am just wondering whether some of the difficulties are not due to the areas of regulation, or to the regulations themselves.

Mr. JAMIESON: This is the point I want to get to, Mr. Pouliot. I am trying to see how you would change what we have now. Let us say that we have a structure. What I am trying to see is how we could move toward an improvement there which would be generally acceptable and primarily acceptable to Parliament.

The first thing I gather is that you would favour—and this, I think, was in answer to Mr. MacDonald—a full-time board of either three or five members and an advisory panel.

Mr. POULIOT: That is right.

Mr. JAMIESON: Now we come to the matter of the functions of that board, vis-à-vis the private sector and the public sector.

The CBC has said, in effect, that with the possible exception of some peripheral things they would like to see themselves divorced from control by the Board of Broadcast Governors. How far back from that position is yours? In other words, where do you want to see the authority of the BBG implanted, as it were, on both sectors, or being felt with the same effect in both sectors?

Mr. POULIOT: First of all, I would like to separate the area of regulation from the licensing. As far as licensing is concerned I think that the licences should be either granted or recommended by the BBG, whether for a private station or a CBC station.

Mr. JAMIESON: In other words, you would make the BBG the licensing authority for the Canadian Broadcasting Corporation as well as the private sector?

Mr. POULIOT: Yes; or the recommending authority.

When we get to the other sector, the sector of regulation, this is when we run into difficulties. Possibly one of the reasons we run into difficulties is that the regulations are of a very general nature, and possibly if the regulations were limited to areas which are not already covered by the law of the land we would not have so many difficulties. However, as soon as you have a regulation, as we have today, which says that stations will not do anything contrary to law, you are immediately going to have a difficulty. You have the BBG which has a regulation which says that you will not do anything contrary to law, and, therefore, they are, in a way, substituting themselves for the law. When you have a regulation which says that you shall not do anything indecent or obscene, and so on, they are substituting their judgment for the judgment of the courts; and if you have a Board of Broadcast Governors and a board of the CBC, and the BBG is responsible for defining what is indecent or obscene on the CBC, you are obviously going to have an argument between the two boards, because this is a question of judgment.

Mr. JAMIESON: You are talking about the relationship between the CBC and the BBG in this field.

Mr. POULIOT: Yes.

Mr. JAMIESON: Can I go back one step before we get into this question of taste, because I think we are going to find, as we do every time, that this is where it hangs up.

It is surely possible to determine with comparative ease whether or not certain regulations have been broken, such as mathematical regulations, if you like, on the number of commercial announcements in a period, and that kind of thing. When you talk of your concern, as Mr. Allard described it, about the capacity of the BBG to levy fines, or to determine guilt—whichever word you wish to use—does this area concern you at all? That is, the kind of thing that it is relatively simple to know, and to see from the evidence before you, that it is a breach of a regulation—would this be an area of concern to you, in terms of BBG authority?

Mr. POULIOT: If we are talking about the commercial regulations I think that all members of the CAB would agree that if a station breaks a regulation there should be some kind of punishment for it.

Mr. JAMIESON: To repeat myself, would it be of concern to you when the breach was clearly evident, which I suspect it would be in the great majority of cases? Although I admit that there have been certain borderline cases as well. Let me illustrate it through the food and drug administration, for instance. A commercial announcement either has the approval of the Department of National Health and Welfare, or it does not. Does it matter to the CAB whether the BBG is in a position to enforce, and to decide whether, a regulation has been broken in a case like that?

Mr. POULIOT: In principle, yes; the same as in the breaking of any law. However, I do not want the police to decide that I have broken the law and to give me the punishment right away. I think that there should be a third party who will listen to the complainant and to the defendant.

Mr. JAMIESON: But the problem here, as I see it—and this is where I say that we have very little in the way of a specific recommendation—is who is going to act as the third party? At the moment you say you are reasonably content with the present arrangement. In other words, the BBG lays a complaint before a magistrate, and the station is then brought before the magistrate and is fined on summary conviction. This is the arrangement that you think is most appropriate.

Mr. POULIOT: Well, I think it is better than having the BBG have all the powers itself.

Mr. JAMIESON: All right. Let us assume that that is right for the moment. We are dealing now with numbers; we are dealing with very specific things; we are dealing with, I repeat, fairly easy things to determine. What does the BBG do, or, indeed, what does a magistrate do, if they are faced with this whole grey area—as, I believe, Mr. Prittie and I have both described it over these hearings —of a program that in some way offends against good taste or on a matter of quality?

Let us say that a station has undertaken to produce a particular series of programs and these are—to follow through on these proposals—a condition of licence. Is there any way under the sun that you can go before a judge and say: "Fine this station because it is not doing quality programming"? Do you think this is possible?

Mr. POULIOT: No, I do not think so. If we talk about good taste it might be different, although this is a very difficult area "Good taste" is pretty hard to define, although all of us, I believe, think we know what it is. I also think that the public knows what good taste is.

I know that if I decided to run for public office tomorrow, and had to go to the public to be elected to Parliament, I would appeal to the same people that I am broadcasting to today. I would go to them and say: "Here is my program. Here I am, and I am asking you to vote for me." I am doing this now with my programs and my station.

I know my public well enough to know that if I go to them during an election and say, "If you elect me I will see to it that there are houses of ill-repute in every street in Quebec; I will see to it that we have theatres in which we show dirty movies; and I will see to it that we have stores in which we sell pornographic magazines," I would not get five per cent of the votes. I am sure I would be defeated completely; and if I received five per cent of the votes I would be lucky.

Mr. JAMIESON: I understand the point you are making.

Mr. POULIOT: I am trying to get the audience, and, therefore, I am trying to have programs of good taste.

Mr. JAMIESON: Incidentally, in fairness to private broadcasters, I think I should say that the argument about good taste rarely arises in the private sector.

Mr. POULIOT: We have to try to be fair—

Mr. JAMIESON: It could be; but I do not think that it changes the basic point, Mr. Pouliot, which is that we are getting into an area on which men could reasonably differ. If the BBG feel that a station has offended against good taste, or is not presenting what one might describe as quality programming, I guess the basic question I am asking is: Is there any authority that can really decide on a matter of this kind fairly, whether it is the BBG itself or this so-called "court of appeal" about which you have expressed concern?

Mr. ALLARD: Not on quality, surely. This is a highly subjective thing.

Mr. POULIOT: In certain countries there is a government-appointed authority which decides what is good art and what is bad—what is in good and bad taste—but I do not think it is working too well.

Mr. JAMIESON: Mr. Pouliot, let us pursue this a little further along the same line of control which I think my experience teaches me is vital to this whole question before the Committee and before the House. If that area is vague, then let us refer to the matter which Mr. Prittie brought up. It has to be said that he reflects the honestly-held view. I am not necessarily saying that he holds it himself, but it is inherent in what he has said. He reflects what is heard very frequently about broadcasters when they appear to get licences, or renewal of licences, which is that the so-called promise of performance is, to put it bluntly, not worth the paper it is written on. Whether broadcasters are like this or not, this is, in fact, a rather constant kind of accusation and criticism.

The point I am making is this: If it is so hard to determine these criteria and if it is so hard to pass judgment, does the problem not really have its roots in the fact that the procedures for application are wrong; that the idea may be wrong that a person can commit today, for example, for a kind of programming, only to discover that it is impossible of execution, or that conditions have changed, or something of this sort? In other words, are we talking about something which is really the fault of nobody, but of the system, and do we need a new system?

Mr. POULIOT: I would think there is a fault in the system by which you apply for a licence—although I think this will probably improve over the years—and I think the BBG is partly responsible. When an applicant comes in and says: "I will have 8 studios, and I will do this and I will do that," the BBG should be in a position to say, "These are promises that cannot be met," or, "The applicant is not serious," or, "He does not mean it." This is why we have the BBG, to pass judgment.

Mr. JAMIESON: If I can have the indulgence of the Committee, I think that for what I have said to have any meaning I will have to carry it through to its conclusion.

You mean, Mr. Pouliot, that the condition of licence—which, I gather from your brief you are inclined to agree with—at least in part puts the onus on the licencee to present realistic undertakings and I assume that you would then expect that he would have at least a reasonable responsibility to carry those out if they were a condition of the licence? In other words, there would not be this situation of rather lavish promises and of unfulfilled hopes on the part of the BBG.

Let us assume that it is still a question of a failure to live up to promise of performance. Who makes that decision, and how do you see that decision being made?

Mr. POULIOT: I think this has to be in the hands of the BBG. I assume that we are taking it out of the public's hands. We are assuming that the public cannot decide on quality.

Mr. JAMIESON: I am not making that assumption at the moment. I am making the case based on the recommendation, or suggestion, that program commitments be made a condition of licence.

Mr. POULIOT: Obviously it has to be the BBG.

Mr. JAMIESON: But only in terms of initiating the action. You then stated that there must be some other, and impartial, body which decides whether or not the BBG is right in its judgment. Is this correct?

Mr. ALLARD: I am sorry if you got that impression. We are talking only about the suggestion in the White Paper that the Board of Broadcast Governors, in certain other instances, namely, breaches of regulations, be allowed to decide (a) that an offence has been committed; (b) that this ought to result in a fine of a certain amount; and (c) to levy that fine.

Mr. JAMIESON: There is a big difference here in this respect.

Mr. ALLARD: It is only in this context.

Mr. JAMIESON: In other words, in terms of those commitments made voluntarily by an applicant, and his failure or his ability to carry them out, the decision about licence-renewal you would be content to leave in the hands of the Board of Broadcast Governors?

Mr. ALLARD: That is how I understand the CAB's present policy position.

Mr. JAMIESON: There is the suggestion—which again, I suggest, may be a little cumbersome in its implementation—about dividing the licensing function so that in effect you get two pieces of paper; you receive one from the D.O.T. which says: "This permits you to put your transmitter on the air", and another one from the BBG saying, in effect, "Here is how it is going to be programmed". Is this really effective? Is not the D.O.T. finally going to have to have recourse to saying "This licence is going to be renewed, or not renewed, on the basis of a recommendation from the BBG"?

Mr. POULIOT: We are not suggesting, by the way, that there be two licences. Our position is that the BBG should recommend to D.O.T., and that there should be one licence. We have not favoured the individual conditions of licence. We are simply saying that if the White Paper wants to take the issuing of the licence out of the hands of the Cabinet, or of the elected representatives of the people, and give it to the BBG, and if you have a right of appeal to the Cabinet, then you are right back where you started. If you give it to a court you are going to have other difficulties.

We say that if the Cabinet grants a licence, or the D.O.T. grants a licence, then the conditions of licence cannot be enforced by D.O.T. If this is what you want, possibly a solution would be to have two licences, and to operate you would need both.

Mr. JAMIESON: I take it that you are not suggesting anything comparable to the F.C.C. in the United States where appeals can go on *ad nauseam* from every kind of decision.

Mr. POULIOT: We have gone over this problem time and time again and I think we have come to the conclusion that the present system is not all that bad.

Mr. JAMIESON: There is no right of appeal now in the case of a recommendation of the BBG. It goes to the Minister of Transport, there is an order in council passed. There is no right of appeal from either the recommendation or the decision now. But you do not see any particular failing in that system now?

Mr. POULIOT: We have not seen anything better. Let us put it that way.

Mr. JAMIESON: Thank you.

The CHAIRMAN: The next person who has asked for an opportunity to question the witnesses is Monsieur Choquette. We have followed the practice in this Committee that members who have indicated that they wish to question witnesses are given priority. If the members of the Committee agree to depart from that practice, we will skip Mr. Choquette and call on Mr. Brand.

Mr. CHOQUETTE: Mr. Chairman, it will be a very short question.

The CHAIRMAN: Is it agreed that we hear Mr. Choquette?

Some hon. MEMBERS: Agreed.

Mr. CHOQUETTE: Thank you.

(*Translation*)

I will put my question in French to vary the programming for to-night. I want, first of all, Mr. Chairman, to point out that Mr. Pouliot's being here is the reason I wanted to take part in this sitting. I want to congratulate him and point out to members of the Committee that Mr. Pouliot is not the first in his family to take an active part in broadcasting, because his father was Vice-Chairman of the Board of Governors of the CBC, Dr. Adrien Pouliot. I put this question to Mr. Pouliot. On page 17 of your memorandum, you say the following. "Paragraph 2 of Section 17 of the Act brings up difficulties insofar only as announcements and we suggest that it be modified." Now, in reading the clause as amended, I see no difference between it and the clause as it now stands as is reproduced on page 15 of your submission, page 16 in the English copy.

Mr. POULIOT: Could I have a French version? I am sorry, Mr. Choquette—

Mr. CHOQUETTE: The text of the act is reproduced on page 15. On page 17, you propose an amendment, and this amendment does not appear there unless I have read it correctly.

Mr. POULIOT: In regard to the advertising.

Mr. CHOQUETTE: When you are obliged to identify the sponsor and the political party.

Mr. POULIOT: We must make a statement before the advertisement, before and after, identifying the party that is sponsoring that. We suggest it should be *either* before or after, not before *and* after. The present requirement is for twenty seconds, but if you have ten seconds before and ten seconds after a twenty second message, the situation becomes odd.

Mr. CHOQUETTE: But on page 17 you say: "The licence holder must immediately before and immediately after." You should have written "immediately before *or* immediately after."

Mr. POULIOT: Immediately before *or* immediately after in the case of an announcement, and immediately before *and* after in the case of a program.

Mr. CHOQUETTE: In the case of an advertiser's message, before or after.

Mr. POULIOT: Yes.

Mr. CHOQUETTE: Now, Mr. Pouliot, another difficulty that arises frequently in election time is that, according to the BBG, these are commercial broadcasts. Now, when someone wants to reserve fifteen minutes for a political broadcast, in conformity with regulations, he is not able to do so because commercial broadcasts are limited to twelve minutes per hour.

How can you get around this difficulty?

Mr. POULIOT: This is due to the interpretation of the BBG, which considers the program as a commercial one. But there is now a definition of what is a commercial program, and according to our interpretation, political programs are not commercial in any way. A program of ten or fifteen minutes sold to a political party should not be considered commercial program. It is the content of the broadcast which should determine whether it is commercial or political.

Mr. CHOQUETTE: Which leads me to my last question. Would you be in favour of legislation obliging you to grant free program time to broadcasters from different political parties?

Mr. POULIOT: Is this only in radio and television, or would this apply to all mediums, to all people under government licence?

Mr. CHOQUETTE: Putting the question in this way makes it more complex. All the same, to-day, and it is to your credit, the private television stations—I cannot speak of radio—certainly reach the masses more readily than the CBC. I am convinced that you are much more listened to on Channel 4 than Channel 11, and it is the same in Montreal. I am sure the private stations in Montreal are much more listened to, so the politicians are frustrated because they cannot reach the masses as readily through the CBC telecasts as they can through private telecasts. So would you be very much against being obliged to grant free time for political broadcasts?

Mr. M. ASSELIN (*Charlevoix*): A supplementary question?

Mr. CHOQUETTE: Wait until he has answered.

Mr. M. ASSELIN: (*Charlevoix*): Do you feel that Mr. Choquette's intervention was good advertising for your station?

Mr. POULIOT: Mr. Choquette, to reply to your question, it is difficult to reply because I do not think we can be in favour of providing free television time to political parties in election time. We have our expenditures to meet. I do not think that our employees will agree not to be paid because they work in election time. We have to pay our employees. We have to pay our other expenditures. And there are stations that are already finding it difficult to meet their obligations. They have very limited profits and are even operating at a deficit. So I do

not think in all fairness that a person, because he owns a television station, should give free television time to politicians.

Mr. CHOQUETTE: I understand your reaction and I have a last question. In the summary that you read a minute ago—the recommendation No. 6, on page 4, French version—you say "The White Paper's recommendations relative to the Canadian Broadcasting Corporation are in the main sound, although its recommendations concerning CBC's commercial policy need clarification." Would you be able to give us some definite detailed thinking on this topic?

Mr. POULIOT: Obviously, the commercial policy of the CBC directly affects the private stations. What we want to know is what the commercial policy of the CBC is. We are not dealing, in this case with an ordinary competitor. We want to know what is the CBC policy so that we can budget and draft our programs and times ahead of time. The White Paper recommends that the CBC maintain a twenty-five percent proportion of the advertising market on television, but there is no definition as to what is meant by twenty-five per cent of that market. The CBC can get twenty-five per cent of the advertising market in different ways. You can raise $25,000,000 by selling one $25,000,000 program or $25,000,000 one-dollar spots. We think there should be a clear definition of what is meant.

Mr. CHOQUETTE: You would go so far, then, as to oppose commercial advertising on CBC television and radio.

Mr. POULIOT: No, not at all. We realize the CBC has a duty. It must make certain products known from one end of the country to the other. They are in a better position than we are to do this. Their coverage is a good deal more extensive than ours.

Mr. CHOQUETTE: Thank you.

(*English*)

The CHAIRMAN: Thank you.

Mr. COWAN: Mr. Chairman, could I ask Mr. Choquette a question. Would the reason the CBC has fewer listeners than the private stations be that the private stations keep politicians off the air?

The CHAIRMAN: I will rule that question out of order unless Mr. Choquette wishes to comment.

Mr. CHOQUETTE: There are all sorts of politicians.

Mr. BRAND: I wonder if I can hark back to some of the areas that have been touched on already. Starting on page 7 in the English version programming is dealt with, and Mr. Jamieson mentioned the word "waffling". I have the distinct impression you were waffling here a bit around the problem of Canadian content. I would like to hear some of your views on how adequate or realistic the present regulations are regarding the difficulties some stations have in meeting committments—I am referring particularly to some television stations. I have heard broadcasters in some areas express that rigid adherence to these regulations is making it almost economically impossible to continue telecasting; I would like to hear your views on this subject.

Mr. POULIOT: In a general way, I think the idea of a regulation regarding Canadian content has not worked out, because we are not operating in a vacuum

and if, by trying to increase the amount of Canadian content quantitatively, we diminish the quality and the sense of acceptance by the public, we are simply driving the audience away from Canadian stations to American stations. Of course the problem applies where you have American competition, the difficulty of the 55 per cent would not apply in Quebec or Montreal.

We have on the executive committee members who have had to face this problem; maybe they would want to say something about it.

Mr. J. R. PETERS (*Vice-President Television, The Canadian Association of Broadcasters; President, CHAN-TV, Vancouver and CHEK-TV, Victoria, British Columbia*): I do not think that there is any broadcaster in the country who does not believe that Canadian television and Canadian broadcasting should be truly Canadian in content and character. The only thing we question is whether to do it by regulation. I think this is something that Mr. Jamieson was touching on: as soon as you say that you must do so many hours of Canadian content programming, then you immediately say in the next breath that this programming must be of high calibre. Quality and standards are in the eyes of the beholder, of course; what may be a good program to me, may not be a particularly good program to you; and so it goes throughout all of the program schedules. It comes to mind whether perhaps the Canadian content should not be reduced so that we can spend more money on fewer programs and elevate the standard.

Mr. BRAND: That gives rise to my next question. I was wondering if you did not feel that way: reducing the content so that you could improve the quality of the programs.

Mr. PETERS: Yes.

Mr. BRAND: Generally speaking then, you feel that in many ways the 55 per cent Canadian content is somewhat unrealistic at this time.

Mr. POULIOT: I think we would have to agree to that.

I might point out, by the way that if you look to radio, the radio broadcaster has not had any regulations about Canadian content, and over the last few years radio has been more than free to operate as it wishes in the matter of Canadian content and the result has been I believe, that the percentage of Canadian content today is very high. If you take the average radio station you will find that Canadian content could be 75 or 80 per cent. The audience of Canadian radio is extremely high. Compared with a few year ago, you see very few Canadians today listening to American radio, and this is because the radio operators have been trying to keep their Canadian audience and they have done it without any regulations.

Mr. BRAND: If we could carry it a bit further then, do you think it would give the private stations a much better opportunity to provide quality Canadian programming if they were given freedom from such a regulation to operate and then develop in the same manner as radio has over the years?

Mr. POULIOT: I would certainly like to give it a try.

Mr. BRAND: You will have to pardon my ignorance on this next subject, but in paragraph 3 on page 9 you state that the regulations prohibit stations from

selling more than approximately 25 per cent of their product, 20 per cent in television, and from accepting certain kinds of business at all. I do not quite understand this.

Mr. POULIOT: It might have been clearer to state 25 per cent of their time, because what we are selling is time and with 60 minutes to the hour we in television are allowed to sell a maximum of 12 minutes. The maximum commercial time is 12 minutes to the hour.

Mr. BRAND: Do you mean that if they buy an hour program, they are not allowed more than 12 minutes within that hour for commercial messages?

Mr. POULIOT: If they buy an hour program, the total time within the hour program devoted to commercials is limited to 12 minutes. In the case of radio it is 1200 minutes a week.

Mr. BRAND: I felt it was just a little misleading for a layman. Twenty-five per cent of your total time would not sound quite right, but if you mean in actual commercial messages, that is a different thing.

Mr. POULIOT: And we are prohibited from accepting certain kinds of business: we are not allowed to advertise liquor.

Mr. ALLARD: Or to encourage Canadians to invest in Canadian business, by the way. There is a regulation that prohibits broadcasting stations from advertising securities or debentures other than those issued by public authorities, the federal, provincial and municipal government.

Mr. MACKASEY: If we had ever had the Prudential outfit on television, we all would have been in a mess.

Mr. BRAND: Perhaps if we put that new zenith number on television it might help. On page 15 you say, referring to the White Paper, "that the Corporation should seek to retain but not to increase its present 25 per cent share of the television advertising market. . ." And then it goes on to say, "But the phrase "share of the market" is not defined. It could mean one of many things."

What do you mean by that? Although it seems straightforward to me, it apparently does not to the CAB.

Mr. POULIOT: No it is not clear to me, because I do not think the CBC was getting 25 per cent of the total amount of advertising on television; the CBC was getting about 25 per cent of its revenue I believe, from television.

Mr. BRAND: Oh, I see. That is a different matter then. If that is the understanding I can see what you are getting at.

I do not want to hold up the committee very long but I have just one other brief question. Referring to political broadcasts again, it seems to be fairly widespread in some areas that during election time there are increased rates to political parties and I was wondering how widespread this practice was and what justification there was for it.

Mr. POULIOT: To the best of my knowledge it does not exist. It may exist, but not to my knowledge. The CAB has for years recommended to members that there be the same rate applied to both commercial and political business and that this would apply to politics. I believe some stations are not granting discounts on the number of announcements, as they would to the usual commercial sponsor. This is understandable because, in respect of political campaigns, the operating

cost of the station increases because of necessary changes in the schedule, and so on, and so forth. It may be that some stations will, say, have a 10 per cent discount for a regular advertiser who takes so many announcements. Some stations may not grant this to political parties—I am not sure of that—but it has been our policy to recommend to members that they charge the same rates to political parties as they do to normal commercial advertisers.

Mr. BRAND: I would like to commend you for the confidence you have in parliament which unfortunately, I cannot really share. On page 6, You say:

> We feel that the voice of the public is adequately represented through the observation and supervision of a sovereign parliament.

Surely this has been our problem. We have not been able to do this. Do you really mean this statement? Do you really want us to supervise? Or is that a commercial?

Mr. POULIOT: I think we have this supervision by the board's full-time members and part-time advisers and by frequent appearances before the B.B.G., but it does not stop there.

Mr. PRUD'HOMME: Top personnel.

Mr. BRAND: I took it out of context, but I just had to as I just could not see it. Thank you very much, Mr. Pouliot.

Mr. MACDONALD (*Prince*): A supplementary on this matter of charging for political broadcasts at election time; is it not true that there are two rates usually in force in radio and television: one is called the national rate and the other is called the local rate, and very often the national rate is used by the station to obtain as much revenue as possible from political programming?

Mr. POULIOT: Well, it depends on the definition of national and local rates. In our own case we have two rates and one is called the retailer's rate. Some people might call it the local rate, but the lower rate is applied to a retailer as compared to any other business; and I think we would consider politics as national business.

Mr. MACDONALD (*Prince*): It does seem to me, though, that stations—

Mr. POULIOT: I am talking about my own case—

Mr. MACDONALD (*Prince*): Your own case.

Mr. POULIOT: —not of the CAB.

Mr. MACDONALD (*Prince*): Has the CAB any record of what station policy is practised by the members? It does seem to me that stations have very often taken advantage of election time to gain the largest possible revenue from—and even milk, perhaps—political parties when they know that parties are entirely dependent on this form of advertising at that time.

Mr. ALLARD: We did in point of fact, Mr. Chairman, take a survey during and immediately following the 1965 federal election really because this point was obviously in the minds of a good many candidates. In 1951, the Canadian Association of Broadcasters passed a resolution recommending to all its members that the political rate be the same as the applicable commercial rate regardless of any other circumstances. During the course of that election we found no case of a member station of the CAB not following this particular recommendation.

In the case of the national versus the local rate, the general policy throughout the country—and this varies in individual instances—is to charge the national rate where it would normally be applicable for commercial business; in other words, where the business comes from Toronto or Montreal and is placed through an advertising agency in Charlottetown or Halifax, and the local rate where the business originates in that particular city or centre.

Mr. MACDONALD (*Prince*): I know but I would not fully go along with what you said—

Mr. ALLARD: There would be a few, but very few.

Mr. POULIOT: I do not think this is a policy which applies only to broadcasting. I think you would find it applies to other media.

Mr. MACDONALD (*Prince*): Agreed, I know newspapers very often do the very same thing. In fact, some newspapers will even increase their rates for political advertising at election time, using the same argument that you have used that there is additional bother and expense; but it is odd that it does not apply to any other advertiser who may cause considerable inconvenience to the newspaper and to the radio station. That argument does not seem to hold quite as much weight then as it does at election time.

Mr. POULIOT: If I may explain why we have a local rate it may help, if you wish me to do so.

The CHAIRMAN: I do not think this is the place for that, Mr. Pouliot. Have you finished your questioning, Mr. Brand?

Mr. COWAN: Where would the place be to explain it, then, if this is not the place?

The CHAIRMAN: Well, I do not think it would assist us in considering the problem that was raised by the question that was put, out of order. The next person on my list is Mr. Klein. He also is not a member of this Committee, but if the Committee wishes to agree to let him put his questions now I will let him proceed.

Mr. COWAN: He has equal rights with everybody here but a vote. That is the only difference between him and members of the Committee.

The CHAIRMAN: Mr. Cowan appears to think that he has more rights than the rest of the members of the Committee. I would appreciate—

Mr. COWAN: No, I never expressed that opinion, sir.

The CHAIRMAN: Please address the Chair when you wish to speak.

Mr. COWAN: I am looking at you directly.

The CHAIRMAN: Are you agreed that Mr. Klein should be allowed to question next?

Mr. COWAN: Certainly.

The CHAIRMAN: Agreed. Mr. Klein.

Mr. KLEIN: Mr. Pouliot, I think I gathered from what you said that you were concerned about the BBG acting as a board of censors?

Mr. POULIOT: Yes, yes, sir.

Mr. KLEIN: May I ask you, when you have a program that might be controversial, who decides in the private station whether that program should proceed or not?

Mr. POULIOT: I think the manager has to decide or the person who is appointed by the licensee to be responsible for it.

Mr. KLEIN: Well then, he is the board of censors, if you like, of the station itself.

Mr. POULIOT: Well, I do not know whether it is censorship when you censor yourself. I mean, you may decide that you are not going to show something, but this is not censoring it. I consider censorship as preventing somebody else from doing something.

Mr. KLEIN: Well, may I—

Mr. POULIOT: If I may go on further—

Mr. KLEIN: Yes.

Mr. POULIOT: If we had a program which is controversial or is apt to be controversial, I think the station manager would make sure that we either see the program ahead of time or that definite instructions are given to his program manager on the policy of the licensee, and the program manager had better follow the policy, or else.

Mr. KLEIN: Well, you mentioned, just as an example, "Front Page Challenge" in your original submission here this evening. There has been some statement that Adolf von Thadden, the deputy leader of the neo-nazi party in Germany, had been invited to appear on this program. Is this correct?

Mr. POULIOT: I would not know.

Mr. KLEIN: Oh, you do not know.

Mr. POULIOT: I am sorry.

Mr. KLEIN: I see. Well, who would decide, for example, whether a controversial figure such as Adolf von Thadden would be permitted to appear on Canadian radio or television?

Mr. POULIOT: I think this would be up to the CBC to decide.

Mr. JAMIESON: Or the private station, if he was going on the CTV network.

Mr. POULIOT: Yes.

Mr. KLEIN: Yes, but if he was going on the private network?

Mr. POULIOT: Well, I think the manager of the station would decide whether or not he wants to invite this person to appear, and he would take the responsibility for whatever may be said on the station by the guest.

Mr. KLEIN: Would there be any attempt to have some content in that program to counteract some of the statements that he might make that might be untrue?

Mr. POULIOT: Well, I think there is an automatic right to answer. I think the station manager should, and probably would, ensure that somebody would present a different point of view.

Mr. KLEIN: On the same program?

Mr. POULIOT: Not necessarily on the same program.

Mr. KLEIN: Yes, but you do not have the same audience all the time.

Mr. POULIOT: No, but this applies to anything that we put on.

Mr. KLEIN: That is correct, but, suppose, for example, you have a person that has a very controversial statement to make on a Tuesday night you can only answer him subsequently and you do not necessarily have the same audience that you had on Tuesday night, so you have lost the value of the reply. Is that not so?

Mr. POULIOT: Well, this is one way of looking at it, but I think this is part of our medium and this is part of broadcasting. This would apply to a neo-nazi or to an old nazi or to any person who talks on television. To do otherwise we would have to have, in every case, two persons on every program, just in case someone said something that might be controversial.

Mr. KLEIN: You are sophisticated enough to know, I think; we are sophisticated enough to know whether a particular controversial person is going to make controversial statements, in which case would it not be better to have someone present to contradict or give a viewpoint that might clarify some of the statements that might be misleading?

Mr. POULIOT: Well, I think it is part of our role to encourage controversial broadcasting. This is part of our function and the BBG has been in favour of this. It had a White Paper on controversial broadcasting. I think there must be a right to answer, but I do not think that it necessarily should be on the same program.

Mr. KLEIN: But do you not admit that you might lose your audience in a subsequent broadcast?

Mr. POULIOT: That could be; yes. This is part of the game and I think that this happens in everything in life. It happens in the newspapers. You have a news item on something and somebody might answer it the next day and you get a different audience.

Mr. KLEIN: If you had—

Mr. POULIOT: I do not see—

Mr. KLEIN: If any of your stations should present a person such as Adolf von Thadden, would you make another person available in your studio or somewhere to contradict or indicate where this person may not be telling the truth?

Mr. POULIOT: Well, I think we would try to present a different point of view, not necessarily on the same program, although we might do it on the same program. I am not sure. It would depend on the circumstances. Some of the people who might hear the second person who talks on the subject might not have heard your first man and you will get the other point of view only.

Mr. KLEIN: Are you categorically stating that your private television network is not going to present Mr. von Thadden?

Mr. POULIOT: No, I did not say that.

Mr. KLEIN: Oh, you do not know.

Mr. POULIOT: No.

Mr. PELLETIER: I have quite a few questions, Mr. Chairman, and I see it is ten o'clock. Perhaps you could direct me on this.

The CHAIRMAN: All right. We have a few minutes, but if you have a number of questions perhaps the Committee would prefer to rise and continue in the morning at 9.30 a.m.?

Mr. PELLETIER: The gentlemen will be back tomorrow?

The CHAIRMAN: They will be available in the morning.

Mr. PRUD'HOMME: Mr. Chairman, could we not proceed?

The CHAIRMAN: We do not have much time.

Mr. PRUD'HOMME: Mr. Chairman,—

The CHAIRMAN: No. What is your wish?

Mr. MACKASEY: If we are going to be here at 9.30 I have a few questions, too.

The CHAIRMAN: We have asked these gentlemen to be available tomorrow morning as well.

Mr. PRITTIE: How long tomorrow morning, Mr. Chairman? Does it end at eleven or go on?

The CHAIRMAN: We can have the room all morning if we need it.

Mr. PRUD'HOMME: Is it nine thirty, Mr. Chairman?

Mr. MACDONALD (*Prince*): Mr. Chairman, could we—

Mr. PRUD'HOMME: Or ten o'clock?

Mr. MACDONALD (*Prince*): —have tabled a copy of the dates of the succeeding sessions that we will be having.

The CHAIRMAN: Yes.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 34

TUESDAY, JANUARY 10, 1967

WHITE PAPER ON BROADCASTING (1966)

WITNESSES:

From the Canadian Association of Broadcasters: Messrs. J. A. Pouliot, President; T. J. Allard, Executive Vice-President; S. C. Ritchie, Vice-President, Radio; H. A. Crittenden, Member of Board; and J. L. Moore, Member of Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25492—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),
Mr. Basford,
Mr. Béchard,
Mr. Brand,
Mr. Cowan,
Mr. Fairweather,
Mr. Hymmen,
Mr. Jamieson,
Mr. Johnston,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
Mr. Macquarrie,
Mr. Mather,
Mr. McCleave,
Mr. Munro,
Mr. Nugent,
Mr. Pelletier,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Simard,
Mr. Stafford—(25).

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, January 10, 1967.
(52)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.40 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Asselin (*Charlevoix*), Berger, Brand, Cowan, Fairweather, Hymmen, Jamieson, MacDonald (*Prince*), Mackasey, Macquarrie, Mather, McCleave, Nugent, Pelletier, Prittie, Richard, Stafford, Stanbury—(18).

Members also present: Messrs. Choquette and O'Keefe.

In attendance: From the Canadian Association of Broadcasters: Messrs. J. A. Pouliot, President; T. J. Allard, Executive Vice-President; S. C. Ritchie, Vice-President Radio; H. A. Crittenden, Member of Board; J. L. Moore, Member of Board.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

The Chairman advised the Committee of the tentative schedule of witnesses who will appear in January and February.

Mr. Pouliot was further examined, assisted by Messrs. Allard, Ritchie, Moore and Crittenden.

The Committee agreed that the brief of The Canadian Association of Broadcasters be printed as an appendix to this day's Minutes of Proceedings and Evidence. (*See Appendix 13.*)

The examination of the witnesses being concluded, at 1.10 p.m., the Committee adjourned to the call of the Chair.

M. Slack,
Clerk of the Committee.

25492—1½

MINUTES OF PROCEEDINGS

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, January 10, 1967.

The CHAIRMAN: Gentlemen, I will now call the meeting to order.

We are resuming our session from last night. Again we have with us Mr. J. A. Pouliot, President of the Canadian Association of Broadcasters.

Before we continue with the questioning of Mr. Pouliot I might inform the Committee that Sir Hugh Greene, the Director-General of the British Broadcasting Corporation, has accepted an invitation to appear before the Committee on February 2 and 3 next; and, Sir Robert Fraser, the Director-General of the Independent Television Authority of the United Kingdom, has agreed to appear on the same dates.

The Committee will be interested in other tentative arrangements which have been made for hearings, and you might wish to note that on Tuesday, January 17, at 9.30 a.m., it is expected that we will have the Canadian Broadcasting League present; on Thursday, January 19, at 9.30 a.m., the National Community Antennae Association—the cablevision people; and Tuesday, January 31, at 9.30 a.m., The Association of Canadian Radio and Television Artists will appear. I have already mentioned February 2 and 3. On Tuesday, February 7, at 9.30 a.m., we hope to have back with us again, together, the Chairman of the BBG and the President of the CBC; and on Thursday, February 9, at 9.30 a.m., we hope to have with us the Minister, the Secretary of State.

I am going to ask the Steering Committee to meet with me after this meeting ends, to discuss further hearings.

Mr. MACDONALD (*Prince*): Mr. Chairman, in connection with the hearings for Sir Hugh Greene and Sir Robert Fraser, can we be assured of having the meeting room available for most of the day? We want to make the most use we can of these gentlemen, since they are going to be with us for only one or two days.

The CHAIRMAN: Yes; we have requested that.

Mr. MACDONALD: That is fine.

The CHAIRMAN: The next questioner on my list is Mr. Pelletier.

(*Translation*)

Mr. PELLETIER: Mr. Chairman, I have a few questions, some of which are merely to get information about the formulae, which do not seem to be sufficiently clear. On page 3 of the brief, when you say "we presume that such a body, that is the Board of Broadcast Governors, would exercise its authority on the CBC in the fields where the interests of the latter are contrary to those of the population". Will you please tell me what the people of your Association were thinking

of when they mentioned "field where the interests of the latter are competitive with those of the public"? I cannot think of a case which would substantiate this formula.

Mr. POULIOT: I think it is not necessary, Mr. Pelletier, that the public interest and the interests of a Crown corporation should be the same in all cases, and this also applies to the CBC, as well as to the CNR and Air Canada. The Crown corporation has a board of directors which acts in the best interests of the company and, in certain cases, public interests could be different and we believe that it is necessary for each of these agencies to have an independent office whose sole objective is to protect the public interest, whether it be the Board of Broadcast Governors or the Board of Broadcast Commissioners.

Mr. PELLETIER: I understand that in theory this could happen, but can you tell me of a case where the interests of the CBC would compete—and your formula seems to indicate a sort of permanent competition—with the interests of the population. Are you thinking of any special cases, because this is not excluded from a theoretical point of view, but were you thinking of specific cases?

Mr. POULIOT: It may be hard to quote specific cases. For instance, in the field of licences, it is possible that the CBC could have a station in each city across the country, while the public interest would require that this should be done differently, that service should be given by an affiliated station, affiliated with the CBC that is, perhaps merely for financial considerations.

Mr. PELLETIER: On page 5, I think that the position taken by your association with regard to the right of appeal and the concern to avoid political influence being used in questions of discipline or the granting of permits, I think that these concerns are to the honour of the association which you represent. But I would simply like to ask you if the association has considered the complex procedures and prohibitive costs, if my information is right, of appeals to the Exchequer Court and if you are ready to do this.

Mr. POULIOT: Our association did not recommend the application of such a system. As an association, we are satisfied with the present system. The White Paper recommends that, in order to preclude the use of political influence, the granting authority be the Board of Governors rather than the Cabinet, and also recommends that the appeal be made to the Cabinet, which means possibly that there is a danger of going back into the sphere of political influence. We would prefer that the present system for the granting of licences should be maintained, and we are saying if the Board of Broadcast Governors should be given the authority to grant licences that it would be better that the appeal court should be an independent court such as the Exchequer Court. But this is not what we are recommending.

Mr. PELLETIER: But, as your question is put, it means that you have considered the extra cost for the person who is making an appeal and that you do not consider this an obstacle.

Mr. POULIOT: The costs, of course, would not be charged the Association, but to the individual or the company making the appeal.

Mr. PELLETIER: Yes. On page 6, you speak of the opportunity of establishing a regional broadcasting council. Am I to understand that your association is favourable to these regional councils, and how would they constituted?

Mr. POULIOT: It is the White Paper, Mr. Pelletier, which recommends that the Board of Broadcast Governors should consider the possibility or the advantages of establishing such councils. Our association simply agrees with the recommendations made in the White Paper, and we think that such a study would be a good thing. But I do not know about the results.

Mr. PELLETIER: You did not consider the composition of such regional councils.

Mr. POULIOT: No. We agree that the Board of Broadcast Governors should consider the matter, and we are ready to co-operate with the Board if we can be of any help.

Mr. PELLETIER: On page 7, there is a statement which is probably made by your association. You say it is the Canadians who will determine program content. Do you think that this formula as it is given, is based on fact? In other words, how do you reconcile this with the contention, the justified contention which you have made, and which has been made also by all other broadcasters, that they should play an important part, or exercise a certain influence, as expressed in English, as "opinion moulders"? How can you say it is the Canadians who—I use the term Canadian in the general sense—but would you think that it is the Canadian population which determines the programs, or content of the program?

Mr. POULIOT: Of course it is a formula or an expression which is used in the case of Parliament, for example. It is said that the people, in the last analysis, decide on the kind of government they want. The population elects members who represent the people and who adopt legislation which, in the last analysis, is controlled by the public. I do not think that we could force the public to look at programs of which they do not approve. It is up to the people to decide what programs they want, because if we decide that we are going to have other programs and have no listeners, we will not be able to go on with them. We need the audience in order to operate. So in the last analysis, it is the people in the audience who decide on programming.

Mr. PELLETIER: But in their competition with each other, can't the broadcasters have a great influence by appealing to the lowest level of audience? Could they not have an influence on the programs?

Mr. POULIOT: I do not understand what you mean by the lowest level.

Mr. PELLETIER: What I mean is taking the easy way out by giving people things which do not require any effort on their part. Would not certain broadcasters kill any opportunity of creating an interest in the population for programs which require more attention, more effort, and determine the composition of the programs, because everyone is obliged to follow suit in order to keep the audience.

Mr. POULIOT: I may not have the same opinion as you have on the level of the audience Mr. Pelletier. I think that our public . . .

Mr. PELLETIER: I am not speaking of the public, I am thinking of the broadcasters.

Mr. POULIOT: You say that we are trying to get a wider audience by giving poor quality programs as much as possible, but this audience is exactly the same public which votes for the Members of Parliament, and I could apply the same reasoning to the candidates during an election.

Mr. PELLETIER: But we are speaking of broadcasting. I would like you to apply this argument to broadcasting.

Mr. POULIOT: I do not have the same opinion of the public as you have. I do not think that the public is interested in low-level, low-quality programs, and I do not think we could obtain an audience by using third or fourth grade programs.

Mr. PELLETIER: You are the one who used the words third or fourth quality programs. I said the easiest way out, which is not necessarily low quality. This is what you say in your brief. You say that some things are easy but are of good quality.

Mr. POULIOT: You say good for the public?

Mr. PELLETIER: For the audience.

Mr. POULIOT: There is not one audience; there are different kinds of publics which are composed of individuals who all have their own tastes, and I think that if we are not trying to reach one class of the public or the majority, we are trying to reach as many people as possible, and not just one class of listeners.

Mr. PELLETIER: But in the case of Canadian Broadcasting, you do not know anything about competition. You have never heard about this phenomenon at all.

Mr. POULIOT: I do not see any difference between low competition or high pressure competition.

Mr. PELLETIER: You do not think that the aim is to obtain the greatest number of listeners or viewers, through effortless programs which also cost less to produce?

Mr. POULIOT: I think this is a matter of opinion, and I am not convinced that we can obtain the larget number of viewers with the easier programs.

Mr. PELLETIER: On page 8, on the same subject, you say that it is extremely difficult to define what is an intellectual program and a high quality program or just entertainment. I think that you are right, that there are borderline cases which are extremely difficult to define. I agree with your brief when you say that the quality is a matter of opinion, and that an entertainment program can be of very high quality and that a very highly intellectual program could be pompous and of low quality. But I am wondering if your brief is not taking advantage of these borderline cases to solve the case. Do you not think it would be possible to establish a distinction between a program improvised by an announcer without any research, without any script-writing, any preparation, rehearsals or editing, and a program which required research on public interest programs, rehearsal, preparation, editing, or preparation on the part of the participants?

Mr. POULIOT: Mr. Pelletier, I think this depends on the standard which you use to define quality. If your standard of quality is that in order to be a quality program there must be rehearsals and editing—

Mr. PELLETIER: Mr. Pouliot, you are speaking of quality. I did not mention it. Is it not possible to establish a difference between these two types of programs?

Mr. POULIOT: Yes, there is a difference.

Mr. PELLETIER: Are there no objective criteria by which we can recognize a program which calls for preparation and a program which does not?

Mr. POULIOT: Yes, it is certainly possible to define criteria, but the criteria which you define and mine are probably the same. They may not be the same as those defined by another person. For example, jazz is improvised music which loses its value if it is prepared and rehearsed and written out. The quality of jazz resides in the fact that it is improvised. It is a criterium which seems to be established by the jazz lovers.

Mr. PELLETIER: Is it not possible to make a distinction between a station which engages musicians, or jazz musicians, a commentator who knows something about jazz, who has some musicial preparation, and a station which merely uses a disc jockey having no knowledge about music?

Mr. POULIOT: There certainly is a difference, but from the point of view of the audience, it is very difficult to say whether they are listening to a recording or whether the musicians are in the studio. What is given by the station is jazz music, and most of the listeners will be unable to say whether it is a live program or a recording.

Mr. PELLETIER: Are not the private stations always tempted to give low-quality programs because of financial considerations?

Mr. POULIOT: Profit motivation does not apply only to private stations but to all fields, and most of the time, because of competition. Quality would be improved because of the profit motivation and competition. And if you travel in a country where there is competition and compare the quality of consumer goods or products, I am sure that the quality will be just as high in North America as in countries where there is no competition and no profits. I do not think that the desire to make a profit necessarily entails low quality. I think the contrary is true. There is competition, for example, and a desire to make a profit in the recording of music, and the quality of records in Canada and in North America is excellent. We have a choice of all kinds of participants, orchestras, everything is available on stereos and long-playing records.

Some people may say "I do not listen to the radio; I listen to my hi-fi". They listen to records made by companies who are profit-making organizations and there is a choice between all the orchestras, the best orchestras in the world and records of excellent quality, and these companies do operate for profit.

Mr. PELLETIER: Once again, I am not referring to companies but to broadcasters.

Would you be in favour of the practice applied in France with regard to broadcasting where at the beginning of a variety program, for instance, the announcer would tell the audience, "we will now give you a variety program but on the other network for people who prefer this, there is a drama or a symphony concert". Do you think that this would be an acceptable practice for private networks and the public network in Canada, that one station should be forced to announce the program of the other network, because as you have said, there are several kinds of audience.

Mr. POULIOT: It is very easy for any Canadian to turn the button to the other station to see what is on the other station. I do not think it would be useful for the CBC to announce that while Batman is on that there is another program on the other network.

Mr. PELLETIER: You think it might be useless, but do you think there might be any objection to this?

Mr. POULIOT: I think that I would object to this. I do not know about the CBC but I do not think that my objective would be to try to increase the audience of the CBC. I am trying to obtain the largest number of listeners for my own station, and I do not think that there would be any use in this.

Mr. PELLETIER: But would this seem acceptable to you, because I would like to know if you think that the private network is trying to pull away listeners from the CBC and vice versa, because at the original purpose of the legislation was that there should be competition.

Mr. POULIOT: I am not trying to draw away listeners from the CBC as I am not trying to get the people away from the movies or from the forum in Montreal. I am trying to get the largest audience possible. I understand there might be some advantage in saying that there is a game in Toronto, or that the Canadiens are performing, and that there is such and such a movie in the local theatre, but I do not think this is my function, and I would object unless all other means of entertainment did the same. For instance if they announced in the forum that there is a good program on my station.

Mr. PELLETIER: I am under the impression that you are confusing the issue. To my mind, the spirit of the legislation, is that all stations who have permission from the Government to use the airways are part of the system, and that they should not compete with each other, but that they should think of the interest of the listener.

Mr. POULIOT: I think that the best way to serve the public is through competition between the two networks, and as far as I can see it would seem to me that the CBC is trying to do the same.

Mr. PELLETIER: But you said yourself, that there were several kinds of audience with different tastes. According to your own theory, if you told the people: if you do not like the hockey game which I am going to give you there is another program on the other network, don't you think that this would be serving various kinds of audience, which you admit yourself.

Mr. POULIOT: This is possible.

Mr. PELLETIER: Therefore, on what are your objections based?

Mr. POULIOT: I do not consider that it is up to me to advertise what my competitor is doing.

Mr. PELLETIER: Therefore you consider that the competition is the same as in the automobile market or shoe manufacturing?

Mr. POULIOT: For instance, a political speaker would not say on my station, there is a speaker for another party on another station. Of course if a candidate did this on one station, the public would be better informed.

Mr. PELLETIER: Therefore you consider that it is the very same thing and that your competitor is a sort of enemy.

Mr. POULIOT: Just as two political speakers on two different networks are adversaries, and I think that this is the best way to inform the public. I also agree that the public would be better served by having more than one candidate.

Mr. PELLETIER: You mentioned in your brief that the main objective is Canadian unity and then you mention the costs on the broadcasters. I cannot see the connection. Is this to say that the broadcasters cannot contribute to the realization of the main objective which is Canadian unity because they cannot afford it? Why add all these statements about taxes on broadcasters, sale of products, etc. and promotion of Canadian unity, why bring the two together?

Mr. POULIOT: Promoting Canadian unity is just one example. May I consult the English text, we had the French text so late, that it is a little hard to follow.

Mr. PELLETIER: This appears as such in the syntax.

Mr. POULIOT: The private stations like the CBC, need income and I would not like to speak only of Canadian unity. This applies to all the objectives of stations, such as developing Canadian talent. What we were trying to say is that the private broadcaster needs money in order to operate, and it would seem that in practice, the private station is probably taxed more heavily than other businesses because over and above the taxes on our profit, we must also pay taxes on our gross revenue. For example, we pay the broadcasting tax, fees to CAPC and to BMI based not on profit but on revenue and this amounts to about 3 per cent of income on sales. What we are trying to prove is that we must pay many kinds of taxes and that we cannot achieve the objectives imposed by the broadcasting act unless we have the necessary income. We cannot lump all the stations together because some have higher revenues than others, and we cannot ask the smaller stations to do as much as the larger stations or those who operate in a larger population centre.

Mr. PELLETIER: But you state here, and that was the only thing I was worried about, you seem to feel that you are paying taxes and that is your contribution to Canadian unity and you should be left alone.

Mr. POULIOT: This is not what we mean at all.

Mr. PELLETIER: On page 10 when you speak of capital punishment or cancellation of the license. I have read your memorandum several times, and I cannot understand if you want this abolished in all cases, or if you think this should be applied only in very severe cases.

Mr. POULIOT: No, we absolutely agree that the holder of a license who is not doing his work properly should lose his license.

Mr. PELLETIER: On page 11, second paragraph, you say "we agree with the recommendations of the White Paper". This means that you agree with the White Paper with regard to educational broadcasting?

Mr. POULIOT: Yes.

Mr. PELLETIER: Yesterday, you stated in reply to another member of the Committee that your Association was opposed to any rulings by the Board of Broadcast Governors forcing private stations to give free air time to the various political parties. In this regard, you stated that the broadcasters had no more obligation, if I understand correctly, than any other company in Canada, and that this seemed to be as serious as forcing the shoe manufacturers to give shoes to candidates or newspapers to give free space to political candidates. Does this mean that the Association of Broadcasters, which is using public property, that is the airways, after paying its dues to the country, considers that the broadcaster has fulfilled his full obligation by paying its taxes and that there is no more obligation on their part to give free time to the candidates of the various political parties during a general electoral campaign which is an important element of democracy.

Mr. POULIOT: Mr. Pelletier, I think there has been a misunderstanding. I may not have expressed myself correctly, but I did not speak of shoe manufacturers. I simply asked Mr. Choquette if he is suggesting that free air time or other facilities should be given to politicians, not only by broadcasters but also by all other companies who hold a license from the Government to operate, and I mention the CNR, Air Canada or companies of that kind who have a license to operate and to use public property. Because, in fact, very few people can do anything without using public property.

Mr. PELLETIER: But there are obligations on the part of the national railways. There are certain things which the national railways do free of charge such as the transportation of MPs.

Mr. POULIOT: But there is a difference between the CNR and the CPR, there is a difference between Air Canada and Canadian Pacific Airlines. They do the same but there is a difference between the two. This is the question which I asked Mr. Choquette, but this is what I told him, I did not speak of the other companies.

Mr. PELLETIER: But you spoke of other media. You seemed to mention newspapers.

Mr. POULIOT: No, I did not say the newspapers, but I said companies who hold a license to operate.

Mr. PELLETIER: But having seen others that have similar obligations, would you agree that the stations have the same obligations.

Mr. POULIOT: At the present time, Mr. Pelletier, the various political parties have free time, that is free periods on the CBC and also on private stations. the CBC figures out the cost of this free air time while some of the private

broadcasters do not receive any compensation for this. It is the private companies themselves who give this free time to the politicians or parties.

(*English*)

Mr. PRITTIE: Mr. Chairman, if Mr. Pelletier does not mind I would like to point out that at the moment the member stations of the CAB, apart from election time, do make time available for "Report from Parliament Hill," which is appreciated. This is between elections.

I generally agree with Mr. Pelletier's line of questioning, but I would like to point out that you do it on radio now.

An hon. MEMBER: Not in Toronto.

Mr. PRITTIE: Well, many of the member stations do.

Mr. POULIOT: I was asked, Mr. Chairman, whether we would agree to being forced to do so. I know that many of us do it, except in the province of Quebec during the elections when the law says that we must not do it. The law very clearly states that we have to charge the regular price for election periods.

Mr. S. C. RITCHIE (*Vice-President Radio, The Canadian Association of Broadcasters*): Mr. Chairman, may I interject here that, as well as the radio stations which release the "Report from Parliament Hill," there are many television stations, privately-owned which are affiliates of the Canadian Broadcasting Corporation television network and release "The Nation's Business" which is produced by the CBC, and released by the CBC, in addition to their owned and operated stations, to those affiliated privately owned stations. This alternates with "Provincial Affairs" in each province, released also on the privately owned stations. I submit that this is a contribution of free time by the privately owned stations.

(*Translation*)

Mr. PELLETIER: But the suggestion is made in another report which is now before the House and that is why I wanted to check on this.

One last question. This may be strictly a question of semantics in the preamble which you suggest on page 19. The object is to create an impartial control board, and this does not mean that you do not consider the Board of Broadcasting as impartial object?

Mr. POULIOT: No. We do feel that in its present form the BBG is impartial, unlike the CBC prior to the setting up of the BBG.

Mr. PELLETIER: Thank you Mr. Pouliot.

Mr. M. ASSELIN (*Charlevoix*): Mr. Pouliot, I would like to refer to the important question of granting licenses. In your brief you mention that there would be two ways of granting licenses, and there would be one way to avoid undue political influence. After having stated this you say that you are nevertheless satisfied with the present system. If really your association wished to remove the granting of licenses away from political influence, you would not be in favour of licenses being granted by the Board of Broadcast Governors with the right of appeal to the Exchequer Court? This would be the only way if you are really

serious about your wishing to remove the granting of licenses from political influence.

Mr. POULIOT: Mr. Asselin, I think that the position of our Association is that the granting of a license is too important a matter to be delegated to another body and our position is that this should be in the hands of the representatives of the people. It is the White Paper which suggests that licenses should be granted by another body in order to avoid political influence. Our position is that if the Government wishes to delegate this authority to the BBG in order to avoid political influence in the granting of permits while retaining a right of appeal to the cabinet or the Governor-in-Council, this would be coming back to the political influence idea. We suggest that if the purpose of the government is to remove the granting of licenses from political influence, we prefer the present system because we think that the granting of licenses is a very important matter which should be left to the representatives of the people.

Mr. M. ASSELIN (*Charlevoix*): For what reason?

Mr. POULIOT: Because of the importance of the matter.

Mr. M. ASSELIN (*Charlevoix*): The granting of licenses is also done for technical reasons. It is my opinion that the Minister of Transport may not be qualified to pass on the granting of permits. He may have technicians on his staff to help him. If you leave the granting of licenses to an organization created by the public, to the BBG, I think that these people have all the qualifications necessary to pass on the granting of a license. This would avoid the political influence which you mention in your brief.

Mr. POULIOT: At the moment it is possible, Mr. Asselin, if the BBG makes a recommendation after studying all the aspects of the matter for the Department of Transport to make a technical assessment as regards to the license. This is submitted to the Minister of Transport with their recommendations, but the final decision is up to the Minister of Transport.

Mr. M. ASSELIN (*Charlevoix*): I refer to the educational program you mentioned, Mr. Pouliot. Is your Association concerned with educational programs in conjunction with the CBC? Is there an understanding with the CBC in regard to educational programs?

Mr. POULIOT: I would like you to define educational programs. Are these school broadcasts?

Mr. M. ASSELIN (*Charlevoix*): School broadcasts and also other educational broadcasts.

Mr. POULIOT: School broadcasts of the CBC are, I believe, re-transmitted by the private stations of the network, because the CBC has very few stations. Just two in the Province of Quebec, and it is the affiliated stations that re-broadcast these programs in the morning. Moreover, there are private stations all over Canada which provide school broadcasts with the assistance of the universities. Over the weekend I think that the Montreal stations carried some with that type of assistance and we have some in Quebec with the assistance of Laval University. This is very satisfactory to us.

Mr. ASSELIN (*Charlevoix*): Does your Association participate in the actual production of these telecasts?

Mr. POULIOT: No this is done by the stations affiliated with the CBC, or by private stations in direct connection with universities.

Mr. ASSELIN (*Charlevoix*): In general, are private stations operating at a profit?

Mr. POULIOT: Yes, in general some of them do make a profit, but some of them are in difficulty. This depends enormously on the audience and on competition. In general, according to the latest statistics, profits amount for all of Canada, have been by provinces.

Mr. ASSELIN (*Charlevoix*): I would like to know about the Province of Quebec and Ontario, for instance. The totals?

Mr. POULIOT: For the Province of Quebec, $4,800,000; Ontario, $6,200,000. And the total for Canada is $14,395,000 before taxes.

Mr. ASSELIN (*Charlevoix*): Before deductions?

(*English*)

Mr. JAMIESON: Is that why you are in television?

Mr. POULIOT: It is privately owned television station only.

Mr. ASSELIN (*Charlevoix*): Only television station.

Mr. JAMIESON: What are those figures again, please?

Mr. POULIOT: For Quebec, $4.8 million; $6.2 million for Ontario; the total of 65 television stations, $14.4 million.

Mr. JAMIESON: So that those two between them are about $9 million. Is that right, about half?

Mr. POULIOT: Yes, that is about $10 million $11 million.

Mr. JAMIESON: That is worse than I thought.

(*Translation*)

Mr. ASSELIN (*Charlevoix*): Are the financial statements of private stations submitted to the BBG for evaluation or assessment?

Mr. POULIOT: We have to submit to the BBG, as well as to the Department of Transport, and the Dominion Bureau of Statistics the figures relating to income and expenditures.

Mr. ASSELIN (*Charlevoix*): Dealing generally, Mr. Pouliot, with the profits of private radio stations. In general, do the members of your Association re-invest in their own network?

Mr. POULIOT: Probably there is more of this in our industry because of rapid technical progress. There are rapid developments and new equipment is required —there have been electronic developments which have forced us to change equipment which we already had on hand, and which we had purchased since 1954. In our case, for instance, and probably much more rapidly than in any other industry, for instance coloured television requires an investment which is

much more substantial than profits. The dividends paid by our industry are very low. For last year we had dividends of about 3 million for all stations, radio and television, whereas for colour alone our investment was $11 million dollars.

Mr. ASSELIN (*Charlevoix*): You know, of course, Mr. Pouliot, that in the Province of Quebec and the other provinces there are still many remote areas which do not enjoy television or have difficulty in receiving television programs. These people have to be served by a community cable system, and they also pay taxes to the Government as well as private companies which serve the consumers. Has your Association ever considered participating in the development of private stations to serve these remote areas which do not receive television service?

Mr. POULIOT: No, not our association, Mr. Asselin, the Association does not have a permit. Each station is trying to serve its own market as best it can, but the Association as such has established principles with regard to development of television in the two languages, and for many years, since 1964, we have done the following. I will read it if you wish but as an Association I do not think that we can serve all these communities.

Mr. ASSELIN (*Charlevoix*): This is the function of the CBC because it is a public organization but for example; if your Quebec station has a license to operate in such an area, in a definite area, and if you cannot cover the entire region, as a taxpayer, can I lay a complaint with the BBG and force you to serve the region for which you have a license?

Mr. POULIOT: We are trying to serve our areas as well as possible and we have to submit a report to the Department of Transport. For instance, if a few miles from us there are fully served communities, very often a private station will ask permission to establish a satellite in order to improve the coverage of the station, but I do not think that this is something that can be done through legislation. One cannot force a station, for example, to give service to a certain area when it is not technically feasible.

Mr. ASSELIN (*Charlevoix*): If the technical brief shows that such a region is to be served, and this is not done the taxpayer has the right to complain.

Mr. POULIOT: But the private station must try to provide the best service possible in order to reach the widest audience possible.

(*English*)

Mr. JAMIESON: Mr. Pouliot, how many retransmitters are operated by CBC and by private stations? Is there a late figure on that, assuming that most of these will be rural?

Mr. POULIOT: Well, we can try to get this information.

Mr. JAMIESON: Fine.

Mr. ASSELIN (*Charlevoix*): I have another question.

(*Translation*)

Mr. Pouliot, coming back to the time allotted to political parties, during election time, I think that private radio and television stations give time which is paid for by political parties during the campaign. I would like to know in what manner the management of the private stations

distribute the time allotted to political parties? I will give you an example. Let us say, for instance, that there would be an election a year from now and that a certain candidate will come to the station and say: "I would like to reserve prime time on your station". I think you are allowed to do this, and if, following this, after these hours have been allotted, some candidate comes and asks you for certain time, which is already taken up, some injustice has been done to certain political parties. Would it be possible to establish how this prime viewing time is allotted and how it can be more justly distributed?

Mr. POULIOT: In practice I do not think that this happens as you state, at least not in our station. During a political campaign, once we know the date of the election, we try to distribute certain periods of time among the parties, so that they will have prime time as well as time in the afternoon and the morning. Once these periods of time are determined, we divide the numbers of periods proportionately in a certain way as much as possible, proportionately to the representation of parties in Parliament, and we offer each political party a time, we can offer twenty minutes to one party, fifteen minutes to another, ten minutes to another, so that this will be as even as possible according to the representation of parties in Parliament. We do not sell, we do not reserve periods for certain candidates. These periods are offered to all parties simultaneously, various parties pick out the period they prefer. And after that, it there is any time left over, we will offer this to any party whatsoever.

Mr. ASSELIN (*Charlevoix*): You say that before you give time to private candidates this is decided and discussed with the various political parties. This is what you say?

Mr. POULIOT: Yes.

Mr. ASSELIN (*Charlevoix*): This is all for the moment. Thank you.

(*English*)

Mr. MACKASEY: Mr. Chairman, I have very few questions because most of them have been asked.

Mr. Pouliot, last night you said political programs are classified as commercials. I was always under the impression that they were educational. In all seriousness, because they are classed as commercials, am I right in presuming that you are limited to 12 minutes per hour? Is this right?

Mr. POULIOT: We are allowed 12 minutes of commercial time per hour.

Mr. MACKASEY: No, but a political program.

Mr. POULIOT: We have in the regulations a definition of "commercial". I forget exactly but I can give you approximately what the definition is. It says that a commercial announcement is a commercial message relating to a sponsor's product or service. According to our interpretation, a political program is not a commercial; it is a program of information. The BBG has interpreted it and I think the last interpretation is that a program is not commercial but an announcement is commercial. If you talk for only one minute it is commercial; if you go on for five minutes it is not commercial.

Mr. MACKASEY: I see.

Mr. POULIOT: To the best of my knowledge this is the latest interpretation of the BBG.

Mr. MACKASEY: Oh, I am sorry. I was under the impression last night, at least, you left me with the impression that the whole period of participation by the candidate was classified as commercial and therefore, you had to get all your revenue for that hour in that 12 minute period.

Mr. POULIOT: This is a question of interpretation by the BBG and possibly they would be better qualified than I am to answer it. At one time the BBG, I believe, interpreted a political program or even a religious program as being commercial if they were paid up to the amount of 20 per cent; so if you sold a 15 minute program to a political party, it was counted as being three minutes of commercial time—20 per cent of it.

Mr. MACKASEY: Since you have clarified it I will get off that point.

As a Montrealer I have been quite concerned at the amount of Canadian advertising on programs, on television particularly, coming out of such areas as Plattsburg. Have you any comments on this phenomena?

Mr. POULIOT: I would rather have it on Canadian stations.

Mr. MACKASEY: Yes. This is a serious point because I recall, I think in the legislation covering periodicals and magazines, that ads placed in American magazines coming into the country are not tax deductible. I am wondering if this is the case in the radio and television field.

Mr. POULIOT: I do not think it has anything to do with the question of tax; particularly for some products which cannot be advertised in the province of Quebec or in Canada, the Canadian manufacturer will go to a border station to advertise his product to Canadians. There are cases in Quebec, Plattsburg, Toronto and Vancouver where actually the Americans have put up stations on the border near Canadian markets in order to cover the market.

Mr. MACKASEY: Well, that is my point, Mr. Pouliot. You have made it for me. I have watched commercials that circumvent our laws, particularly in the late hours, liquod ads and other types of things that are not permitted on Canadian commercials but are permitted in the United States. I personally would advocate in such cases that the cost of these ads be not considered as a business expense by the Canadian companies.

Mr. PRITTIE: Are they or are they not now. Is there any—?

Mr. MACKASEY: This is the point I am really trying to get at.

Mr. PRITTIE: Is there any tax advantage to advertising on Canadian stations?

Some hon. MEMBERS: No.

Mr. MACKASEY: I think, Mr. Chairman, we should investigate this area because if we want to increase Canadian content, if we want to stimulate our own industry—

The CHAIRMAN: Mr. Mackasey, would you like the witnesses' opinions on this?

Mr. MACKASEY: Yes, I would.

Mr. POULIOT: Well, it might be easier to allow the Canadian stations to advertise this and then the Canadian manufacturer would go to the Canadian station.

Mr. MACKASEY: Well, he does go there now but what you are trying to say is that we should lower our standards of commercials. I do not think this is the answer.

Mr. POULIOT: Well, I do not think it is a question of standards. If you are not allowed to advertise beer or any legitimate business in Canada and you are allowed to do it on a border station I think it is quite natural for the Canadian manufacturer to advertise his legitimate business on a border station in order to cover his potential customers in Canada.

Mr. MACKASEY: As long as he is not being penalized, or as long as there is not a distinct financial advantage in remaining with the Canadian radio and television program.

Mr. POULIOT: Well, you see if he is not allowed to advertise his product in Canada, he will go to the United States. I am saying that possibly if he were allowed to advertise it in Canada—

Mr. MACKASEY: As I understand it, beer companies can. It is just that we regulate the type of advertising. We can say that a program is sponsored by a brewery.

Mr. POULIOT: This is a provincial matter. In some provinces, beer companies can advertise beer. I believe they can in Ontario.

Mr. FAIRWEATHER: They are not allowed to show the can.

Mr. POULIOT: They are not allowed to advertise beer in Quebec. They are allowed to sponsor programs.

Mr. FAIRWEATHER: They show the empty labels.

Mr. MACKASEY: Well, let me put it this way. You see the threat or this competitive threat, I guess, growing. More and more American stations are opening up along the border and inducing or seducing, if you want to use that word, Canadian advertisers.

Mr. POULIOT: I do not think so. I think they will only do it for certain markets. The market has to be large enough and I cannot think of any other places where they would do it in the future.

Mr. MACKASEY: Mr. Pouliot, in the objectives of the White Paper, of course, there is a very nice paragraph pertaining to Canadian identity and Canadian unity. I think last night you mentioned that there is now at the disposal of the CAB members a form of interchange of programming. Am I right in that?

Mr. POULIOT: Yes. We have had this for quite a few years now.

Mr. MACKASEY: Is there any concentrated effort or any special effort being made to make one part of the country aware of and familiar with the entertainers from another part of the country? What I am really thinking of is French speaking artists of whom, as you mentioned, there are many in Quebec exciting

and very talented. Is there any real effort to make their talents available to the western audience or vice versa?

Mr. POULIOT: Well, there have been efforts and some programs produced in Quebec have been put on stations out west, for instance. Maybe someone who is more involved in this could explain.

Mr. MACKASEY: I would like a concrete example if I could get one.

Mr. J. L. MOORE (*Member of the Board, The Canadian Association of Broadcasters*): Mr. Chairman, I would be pleased to supply two examples. One is a project underwritten by private stations in Canada called the Canadian Talent Library and it is a subscription undertaking which produces new music by Canadian instrumental and vocal artists? In addition to being underwritten by private stations and being material exposed on private stations, it is almost exclusively Canadian composition and Canadian arrangement and certainly the performers are Canadian talent. This is one way in which a minor amount of good home products, not amateur talent by any assessment, is made available to Canadian broadcasters.

A second undertaking was referred to briefly last night. This was the joint project, involving a quarter of a million dollars over a five-year period, between our Association, the Canadian Association of Broadcasters, and one of the performing rights societies where Canadian composition, both instrumental and vocal, is arranged, written and performed by Canadian groups in all categories: band music, concert music, ballet, and light music of one kind and another. Not only is it used by Canadian broadcasters but it is distributed to foreign countries for use on their broadcasting systems, and it is made available in foreign countries through Canadian embassies, and so on. Distribution is quite wide and quite impressive.

Mr. MACKASEY: More basically, are any efforts made to expose English speaking audiences to the French speaking entertainers and vice versa? I come from an area where CKVL operates very successfully in this way, as you know.

Mr. RITCHIE: Mr. Chairman, yes, a concerted effort is being made in this respect through the Canadian Association of Broadcasters Program Exchange. The exchange material available from the province of Quebec is growing. The broadcasters in Quebec are becoming more actively aware of this organization. The demand in other parts of Canada is not yet great but it is growing and a concerted effort is being made to increase the amount and to make more available to other stations in Canada.

Mr. JAMIESON: May I ask a supplementary question? What ever happened to the system of awards for English stations producing French programs and vice versa? Did that ever get off the ground?

Mr. POULIOT: Oh, yes. It has been going for three or four years and the French language association members of the CAB also have an award for the English station making the best effort to get the French language, culture, etc. better known outside the province of Quebec. This is awarded yearly at our annual meeting.

The CHAIRMAN: I wonder if there is any indication of how widely this service is used because I do not recall ever hearing any French language records in Toronto and I discovered for the first time when I came to live in Ottawa that there was a vast French Canadian pool of radio talent. It is unfortunate that in Toronto we do not learn of this talent. I hope you do in Prince Edward Island or British Columbia.

Mr. RITCHIE: Mr. Chairman, we do not pretend that it is vast at the present time.

The CHAIRMAN: I believe there is a great amount of talent in Quebec but we never hear of it.

Mr. RITCHIE: We do say that we are making a concerted effort to make more of this talent available through the exchange—

The CHAIRMAN: Do you have any records of how much this has been used, say, in Toronto, because I am not aware of it being used.

Mr. RITCHIE: We would have a record. I do not have it here but our program exchange would have such a record. It can be made available to you, Mr. Chairman, if you so desire.

The CHAIRMAN: I would be interested to have it. The fact that it is available may not indicate that your stations are using it to any large extent.

Mr. RITCHIE: It is not only available, we are beginning to promote it because of its availability through the exchange which is just beginning to grow in this respect.

The CHAIRMAN: Perhaps I have just missed it.

Mr. POULIOT: Mr. Chairman, with respect to the question of the number of satellites or rebroadcasting stations, I do not have the figure for the CBC but our own members operate 120 satellite stations which are designed to improve their coverage.

Mr. MCCLEAVE: First, Mr. Chairman, may I ask Mr. Pouliot or Mr. Allard if the White Paper is comprehensive enough; that is, does it cover all the problems that should be dealt with in new broadcasting legislation and whether to their satisfaction or not, or is anything left out?

Mr. POULIOT: All in all I believe we are satisfied with the White Paper. We think it is pretty comprehensive and sound and covers most areas that we would like to see covered.

Mr. MCCLEAVE: Now, with regard to your point on appeals in connection with the awarding or the renewal of licences, and so on, by the Board of Broadcast Governors, you make the argument that these appeals should be to a judicial body rather than to a political body or governmental body?

Mr. POULIOT: Not quite, sir. We are satisfied with the present system. We are simply saying that if the government wants to take it out of the sphere of political influence, which is mentioned in the White Paper, if you give the BBG the power to issue the licence and have the appeal to the cabinet or to the Governor in Council it is possible that we are right back into the sphere of

political influence. We are suggesting that if this is what the government wants possibly it might be better to have the appeal to a court.

Mr. McCLEAVE: Your main concern—

Mr. POULIOT: We are not recommending this.

Mr. McCLEAVE: Your main concern is that the BBG, in some cases, might not come to a proper decision or a decision based on proper broadcasting principles; that it might be motivated by whimsy or just make a mistake; is that right?

Mr. POULIOT: I do not think we are saying anything like that. I think, first of all, we have to differentiate between the granting of a licence and the renewal of a licence. Obviously, once you have a licence you have invested your capital and you will be operating for five years. When the time for renewal comes we believe that the station should get the renewal if it has complied with the regulations and directives. I assume that in a case where the licence was not renewed the licencee who has made the investment would of course, want some kind of a deal.

Mr. ALLARD: Mr. Chairman, since this point has come up about four times I wonder if we could endeavour to clarify it, particularly in relation to our position. What we are trying to say is that we are satisfied with the present system under the BBG, following a public hearing, makes a recommendation to the Minister of Transport. The statute is silent on whether or not he is bound by it. But the BBG are required to make a recommendation and then the licence is issued by the Minister of Transport following consultation with his colleagues at a meeting of Governor in Council. It is the White Paper that is suggesting that the BBG be empowered to issue the licence itself and not merely make a recommenation.

Now, it occurred to us that the authors of the White Paper must have had a reason for making this suggestion. The only reason that appealed to us was that they were trying to create a situation in which not only is justice done but that it is seen to be done; that they were endeavouring to remove any possible accusation of the exercise of political influence. Having made the suggestion, they then suggest the appeal from any decision of the BBG in this regard be back to Governor in Council and as we see it, this puts them right back in the very box they are trying to avoid. So, what we are saying is that as far as we are concerned we are quite happy with the present system, but if the system is to be changed, then we can see the basic reason for the change accomplished only by way of transferring the appeal to a court rather than to the Governor in Council.

Mr. McCLEAVE: Well, I quite agree with the suggestion of the CAB on this point. I just wanted to get perhaps, some of the underlying reasons for, and the philosphy behind, the suggestion that you have brought forward.

Mr. JAMIESON: May I ask a supplementary, Mr. Chairman? How does this square with the CAB's stand with regard to the relationship of the BBG to the CBC if there were to be a change, or even under the present arrangement. Is there really any point in having the CBC as a licencee if the present arrangement is continued?

Mr. ALLARD: In point of fact, Mr. Chairman, there is some doubt, in my mind at least, whether the CBC in fact is a licencee. Certainly the Radio Act, which I think is the statute which governs in this case, mentions provincial governments but it is completely silent in the case of the federal government. Her Majesty in the right of the Crown in the federal arena. The CBC in point of fact does appear before the BBG whenever it wants a new or extended facility, but presume it could be argued this is a matter of courtesy on the part of the CBC and, you will note, in our brief we have pointed out that if the CBC is in fact to become a licencee in law it would require a suitable amendment to the Radio Act. If that were done, then the CBC would legally, as well as in fact and form, be a licencee.

Mr. JAMIESON: Do you feel that it should be?

Mr. ALLARD: Clearly it seems to me, and here I have to speak personally because it is not a matter on which the Association has a policy, there is considerable value and merit in having the CBC clearly established as a licencee even under the present system where the BBG recommends but does not issue the licence. There would be, I think, considerable reinforcement for this argument if the BBG were to become the authority that actually grants the licence.

Mr. MCCLEAVE: May I turn to the matter of Canadian content, Mr. Chairman. It was suggested by one of the questioners last night that, perhaps, instead of setting percentages, volume amounts for the promotion of Canadian talents be used instead so you put on an excellent 15 minute show instead of putting on an hour of mediocrity. Does this commend itself to the CAB? Could formula be worked out on these lines?

Mr. POULIOT: It is a very difficult area indeed and I do not think that the solution of this problem will be obtained by doing it by percentages. Exactly what the best solution is I do not know. I think we have stated categorically that broadcasters are Canadian citizens and would like to be as Canadian as possible and are making an effort to program for Canadians and to have Canadian listeners.

Mr. MCCLEAVE: Apparently this is working out more successfully on the radio side than on the TV side. Is that correct?

Mr. POULIOT: Well, it seems to be working out in radio and without regulation. It is simply that the radio broadcaster has had to face the competition of American and Canadian television; he has been more or less left to himself to find ways and means of staying in business. He has developed a whole new concept of radio and apparently he has been very successful.

The CHAIRMAN: Mr. McCleave, it might assist in this line of questioning if I referred to some figures which I have read that Canadian content in radio seems to average between 2 and 4 per cent depending on the station; whereas, in Britain, British content has jumped to about 60 per cent from 40 per cent in about two years. Is that what you mean by the situation having worked out fairly well in radio?

Mr. JAMIESON: What is the source, Mr. Chairman?

The CHAIRMAN: The source is confidential at the moment but perhaps it will be before the Committee officially. I would like some comment—

An hon. MEMBER: Is this report to the Committee?

The CHAIRMAN: It is not to the Committee; it is confidential in my hands. I am simply asking whether this is accurate.

Mr. POULIOT: Mr. Chairman, I am afraid I would not agree with the figures. I do not think 2 or 4 per cent makes any sense. There is a lot of talk on radio; there is a lot of news; there is a lot of comment on news and this is all Canadian content. I just cannot understand a figure of 2 or 4 per cent.

The CHAIRMAN: I think you are talking about talent, are you not?

Mr. FAIRWEATHER: Mr. Chairman, I have a point of order. I think it is quite improper to have excerpts from a confidential report read into a parliamentary committee. We operate here under the same rules as Parliament.

The CHAIRMAN: I am not suggesting this is a confidential report. I am suggesting this is simply information that I have which I am asking for a comment on.

Mr. FAIRWEATHER: Well, this Committee has the right to have the source identified.

The CHAIRMAN: I will be glad to give you the source. A man has asked for the privilege of appearing before the Committee and his request will go to the steering committee. He has no objection to this information being made public because he wishes to present it to the Committee.

Mr. FAIRWEATHER: Who is it?

The CHAIRMAN: His name is Mr. Warwick Webster who is a Canadian composer.

Mr. MCCLEAVE: Mr. Chairman, I fell into the trap of labelling some other source as the possible source of the information you have given us and I apologize to the organization that I named.

My final area of questioning relates to the new morality in Canada and the that fact undoubtedly we will have more "Sunday" incidents, and the like. The questions I have in mind relate to the fact that the stations that are affiliated,—both networks for that matter—may suddenly find themselves broadcasting or telecasting material that comes, let us say, from Toronto or Montreal, over which they have no control and yet, I presume, under the laws we now have they open themselves up for action. Does the present law give enough protection to stations which can be the innocent handers-on, say, of obscene matter or libellous matter? Are you protected against your originating source, the point from which these telecasts and broadcasts come?

Mr. POULIOT: I am not a lawyer. I am concerned about this problem. We do have a contract with the CBC according to which we have to re-broadcast what we receive during reserved periods. So, I guess, according to civil law, if we do not retransmit a broadcast that we would be found guilty. On the other hand, under the Criminal Code I think we remain responsible for what goes on the air and we could be, of course, taken to court or sued for broadcasting indecent material, assuming that it is indecent.

Mr. McCLEAVE: Is this sort of thing taken up, Mr. Pouliot, when the private stations sit down and re-negotiate their network agreements with the CBC or the CTV?

Mr. POULIOT: I think this has been discussed. I do not know whether there is a solution because any contract that you sign with the CBC will not change the Criminal Code or your responsibility under it.

Mr. McCLEAVE: But you might be able to refuse programs.

Mr. ALLARD: No. I think, Mr. Chairman, if I may, I can see the direction Mr. McCleave is heading in. The affiliates are completely helpless in this situation. The Broadcasting Act provides that the BBG may make regulations to do certain things, and amongst other powers it is given the power to require as a condition a licence that a privately owned station be affiliated with the CBC's network as a condition of licence. Now, this opens this possibility at least, that if the station refuses on its own initiative to carry one or more CBC programs, it places the licence in jeopardy. From this situation the individual affiliate has, under the law as it now exists, no relief whatsoever. Now, negotiations between the corporation and privately owned stations would be more meaningful if the licence were not in jeopardy because of this situation and the end result was purely and simply a civil contract.

Mr. JAMIESON: May I ask a supplementary question, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. JAMIESON: Is there anything in the affiliation agreement that saves the affiliate blameless in the event of carrying of programs, and does this supersede, say, what Mr. Pouliot has called the Criminal Code?

Mr. ALLARD: There is no effective provision of this kind, Mr. Jamieson.

Mr. JAMIESON: My recollection was that there is a clause in the thing which says that in those periods which are reserved the station is exempted from responsibility for the material broadcast. As I understood it, the issue was never one of who was finally going to pay the shot, but it was whether, in fact, the station could be brought before the courts by some aggrieved party.

Mr. ALLARD: This might run, of course, in the case of a civil action, but I doubt very much, with respect, whether anybody can give an undertaking to relieve anybody from his responsibilities as a citizen relative to the Criminal Code of Canada.

Mr. POULIOT: But there is a clause in the contract.

Mr. COWAN: Mr. Chairman, could I ask Mr. Allard through you if it is a fact that French stations in Quebec affiliated with the CBC are not allowed to opt out of taking on these CBC chain programs?

An hon. MEMBER: This is any stations.

An hon. MEMBER: French and English, too.

Mr. COWAN: Oh, I see. I am surprised, or at least happy to know there is something the Quebec people do not opt out of if they want to.

Mr. McCLEAVE: Mr. Chairman, my final question will be this—and I am not singling out one network or the other, I am using both as examples—I take it that the CAB itself does not come before us and make any formal request that some method of protecting the innocent be devised in the new broadcasting legislation.

Mr. POULIOT: No, we have not.

Mr. McCLEAVE: You leave this up for battle between yourselves and the networks when negotiations go on, and you also believe that with a new licencing set-up this would give private stations some protection so that they might be able to refuse to carry programs and still maintain their status on a network.

Mr. POULIOT: I think this has been a continuing problem; it has been discussed and will definitely come up again, even more so after the "Sunday" incident.

Mr. McCLEAVE: Thank you.

Mr. FAIRWEATHER: I would just like to follow this; is this a continuing problem really or is it a man of straw? Have there been any prosecutions?

Mr. POULIOT: No, I do not think there have been any prosecutions. I say it is a continuing problem not only for the "Sunday" type of program but for other types of programs.

Mr. FAIRWEATHER: Has your membership complained to the Canadian Broadcasting Corporation officially?

Mr. POULIOT: Not our membership, as such, but the members of our Association who are network affiliates have a network advisory committee with the CBC and this type of problem has been coming up every year.

Mr. FAIRWEATHER: We have heard, for the last few hours we have been here, about the problem of ratings. Now I am not trying to relate ratings and programs like "Sunday" or "Seven Days", but it is a fact that "Seven Days" had a very large audience in this country, is it not? Did your membership complain about this?

Mr. POULIOT: I think relatively it had a high rating, but, I am sorry, I do not have the figures.

Mr. FAIRWEATHER: Not only relatively, it had a phenomenally high rating, did it not?

Mr. CRITTENDEN: Mr. Chairman, perhaps I may interject. Yes, there have been several complaints, not only on "Seven Days", but also on "Sunday". But this is relative to individual programs, and this comes from individual stations that feel that the program was obscene and just did not fit their community, and they objected. They have further recourse at the affiliates' meeting to try and bring some order out of chaos in this particular area; whether their advice is taken is a horse of another milk wagon.

Mr. FAIRWEATHER: I suppose we could, if we had time, philosophize about obscenity. Some of the junk that we get, for instance, in radio now of recordings

and things, is to me just as offensive, presuming for a minute that anything on "Seven Days" or "Sunday" was offensive, which is debatable, too.

Mr. CRITTENDEN: Well, Mr. Chairman, while there are some broadcasters who feel that this type of programming is fine, there are others who will have no part of it. The public has a choice, and in the final analysis they are the ones who either turn the set on or turns it off or moves to another station. I do not know as you can win—

Mr. FAIRWEATHER: But, with "Seven Days" they did not turn it off, did they?

Mr. CRITTENDEN: I agree with you.

The CHAIRMAN: Mr. Ritchie, did you want to add something?

Mr. RITCHIE: Mr. Chairman, with respect, as a radio broadcaster I must object to the use of the word "junk" in respect of some of the programming that is heard across Canada. I presume that Mr. Fairweather in using this word is using it in respect of some of the musical programming. Since he referred to philosophizing at the same time, I may say that my own personal eduction was strictly a musical one. The only degree I hold is a degree in music, and I must say that although I would not refer to our music as junk, some of it does not give me a great deal of enjoyment; but I also submit that at the time Johann Strauss introduced his now famous and presumed classical waltzes, they were referred to by many people as junk; now they are fully accepted.

An hon. MEMBER: I doubt that.

Mr. RITCHIE: Oh, yes, sir.

Mr. COWAN: You were expressing an opinion, Gordon.

The CHAIRMAN: Perhaps Mr. Fairweather was referring to the words of some of the songs as well as the music.

Mr. COWAN: Mr. Chairman, if he does not like the word "junk" that Gordon used, I will use the word "crap" instead. He can express an opinion if he wants to.

An hon. MEMBER: O.K.

The CHAIRMAN: I am not sure whether that is parliamentary.

Mr. FAIRWEATHER: Perhaps my philosophising has got out of hand. I want to turn now to the report on the Committee on privileges and elections. I am sorry that we were perhaps using quite a bit of time on this particular area, but during the last election—and here I do not know why I should be defending the New Democrats—there was a series of programs done by the New Democratic Party which was approved by Dr. Stewart, or by the BBG, and yet turned down by CTV. Now I am not too disturbed about the incident, but I am disturbed about the implication that once the board has approved, the individual station can accept or reject at times when it is important that party advertising be carried.

Mr. ALLARD: I am not certain, Mr. Chairman, that the material—and I do not have the file in front of me—was in fact rejected by CTV. I certainly recall there being, if you like, difficulty in this regard with one of the affiliates of CTV.

Mr. FAIRWEATHER: Well, I am just quoting from page 369. The commercial was cleared by the BBG but owing to the initiative of a private station it was cancelled on the CTV network and a number of private stations. Dr. Stewart felt that the action was regrettable, but he did admit that CTV had a right to refuse the advertisement. Now, what worries me, of course, is whether this type of thing happens because of advertisers regularly using CTV or your association.

Mr. POULIOT: I am not familiar with the content of this. Did you say this was a commercial that was turned down?

Mr. FAIRWEATHER: It was political advertising.

Mr. POULIOT: That is a commercial, yes.

The CHAIRMAN: Mr. Fairweather, you were referring to the report of the Fowler committee I think.

An hon. MEMBER: Can you mention the page number.

The CHAIRMAN: The committee on electoral expenses.

Mr. PRITTIE: Mr. Chairman, it was a political broadcast which made certain fun of soap advertising. It was rejected by the Vancouver station.

Mr. POULIOT: Well, I am sorry; I do not think I can say much about it.

Mr. FAIRWEATHER: Perhaps I had better pose a question then. Do you feel there should be something rather like the press council in Britain or is the BBG's role in clearing this type of thing sufficient?

Mr. POULIOT: I do not know that the BBG is clearing commercials of political announcements. This is a new one on me. I guess they can be referred to the BBG, but this is not necessary. There is no regulation about this.

Mr. FAIRWEATHER: Do you not see a danger that the advertisers will, in effect, control what you put on the air?

Mr. POULIOT: If we are not allowed to refuse them we might get into difficulties. I think it is up to each station to turn down advertising which it may consider either in bad taste or misleading, and I am talking about advertising in general. I think it has to be up to the person responsible for what goes on the air to decide whether or not it will be broadcast.

Mr. ALLARD: Mr. Chairman, Mr. Fairweather has really asked two questions, and in relation to the second part of his question I can say this quite freely and frankly: I have been in the broadcasting business for just over 30 years, in many different facets of the business. In all that time no advertiser has ever in the slightest way endeavoured to bring any pressure on me or anybody associated with me, or any person or station of which I have knowledge in way, shape or form, to alter the shape of a newscast, an opinion, a commentary or a political broadcast. That is your second question, Mr. Fairweather.

The first one dealing with political broadcasts is a very difficult one. In certain cases it may be the opinion of the BBG that a political broadcast falls squarely within the ambit of the law and the regulations. The legal adviser of an individual station may have a different opinion, and the BBG itself has declared —and I think quite properly—that the licensee is, in the event, responsible for what goes on his air.

Mr. JAMIESON: I have a supplementary question, Mr. Chairman. If Mr. Fairweather would permit me to broaden it a little there is another issue on which I think it would be interesting to hear a comment, and that is whether there is any obligation on a licensee to take advertising. I notice the CBC reject certain forms of advertising. Assume a private broadcaster had, for example, a moral objection to beer advertising or tobacco advertising, is there anything in law that requires him to take that kind of advertising, to your knowledge?

Mr. POULIOT: Not to my knowledge.

Mr. ALLARD: In fact there is one station, Mr. Chairman, located in a province which does permit a limited form of beer advertising where, as a matter of principle, the proprietor refuses to accept beer and wine advertising.

Mr. JAMIESON: And his right to do so has never been challenged?

Mr. ALLARD: It has not been questioned.

Mr. FAIRWEATHER: We got into a little area about quality of radio. I am wondering whether you, sir, feel that since the advent of television the quality of radio, be it AM or FM in Canada, has improved. Let us be frank.

Mr. POULIOT: I wish I had a definition of "quality"; it would certainly help me. When you get into this type of questioning I just do not know how to answer. I can only go by acceptance by the public. Radio has changed entirely from the old type of radio, which was more or less like television is today, without pictures, into a completely different type of service. It is more intimate than it was; it is more direct; it has gone to very short items. There is no long programming on radio; it is a different type of service entirely, and to the best of my knowledge it has been very well accepted by the public. I think radio audiences are bigger than they ever were. This is about the only answer I can give you as to the quality of radio. In the judgment of the public the quality must be there, assuming that the public knows what it is doing.

Mr. FAIRWEATHER: Have radio listening audiences increased in the last decade?

Mr. POULIOT: I believe so, perhaps because of the advent of transistor radios, the car radio which is listened to out of the home more than it used to be. But definitely the audience of radio stations is just as big as if not bigger than it ever was.

Mr. FAIRWEATHER: What is the CAB policy on open-line type shows on radio?

Mr. POULIOT: We have a policy on open-line programs, but I do not know whether we have it here.

Mr. FAIRWEATHER: I do not want to take up the time of the Committee, but if there are regulations, if the Chairman would agree, I would like to have them tabled.

Mr. POULIOT: We can do that with pleasure.

The CHAIRMAN: Perhaps they could be sent along to the Clerk and we can consider later whether they should be tabled.

Mr. FAIRWEATHER: Well, send one to me. They may not be of any interest.

Mr. MATHER: Mr. Chairman, Mr. McCleave asked most of the questions I had in mind, but I have a couple left. I have read the brief and listened to the presentation of it by the witnesses, and I come to the conclusion that while the CAB may not think that the White Paper recommendations are perfect, yet they can live with the recommendations, generally speaking. Is that fair to say?

Mr. POULIOT: That is correct, sir.

Mr. MATHER: My other question is, on page 5 of the opening statement the CAB states:

> The recommendations of the White Paper on . . . community antenna television . . . are sound and practical.

As I read the recommendations of the White Paper on that point, they are:

> The new legislation will provide that community-antenna television systems shall be treated as components of the national broadcasting system subject to licensing, regulation and control by the Board of Broadcast Governors.

Would I be correct in saying that the CAB supports that point of view as expressed in the White Paper?

Mr. POULIOT: We have a resolution of our association—I do not know whether I have it here. In general I would agree that we are in accord with this.

Mr. MATHER: Would you say that if the community-antenna systems are not to be treated as part of the general broadcasting system, they would be, perhaps, unfair to other parts, such as the private or public stations?

Mr. POULIOT: This whole question of community-antenna television is very difficult indeed, especially for an Association like ours where some people are in the community-antenna field. In many cases community-antenna will improve the coverage of an existing Canadian station. In other cases it brings in an alternative service which may or may not be American. There are technical problems which concern us. We want available Canadian stations to be on the cable and we want them to be of high quality. In general, I think we should agree that since it is more or less equivalent to broadcasting there should be some kind of regulation, possibly as to ownership, so that they carry Canadian stations. Obviously a lot of regulations which apply to broadcasting could not apply to television antennas.

Mr. MATHER: Thank you. That is all, Mr. Chairman.

Mr. MACDONALD (*Prince*): Mr. Chairman, I would like to have the views of Mr. Pouliot and any of the others with regard to a problem which I think faces us with respect to the future of the CBC and its broadcasting picture. It relates to the fact that at the present time parliament provides annually at least some $110 million to the CBC, plus the $30 million or so they obtain themselves through advertising revenue. I do not remember it being clearly stated, although it is referred to in your submission, what you would favour as being the ultimate disposition of this problem. Would you, in fact, favour the CBC at some point being relieved of having to seek advertising revenue, or do you think that there

is a certain percentage that should be kept in mind, or a certain figure? What, in fact, is the opinion of the CAB on this question?

Mr. POULIOT: I do not think that we are against the CBC being in the commercial field. Our main problem is knowing the nature of the competition and the rules of the game, in what manner we have to compete. We are obviously affected by the manner in which the CBC gets its revenue, by its rate, by the type of advertising it will take and not take. We believe that the CBC is providing a service in the field of advertising by carrying it all over Canada from one end of the country to the other and this is a useful service.

Mr. MACDONALD (*Prince*): Just to put it succinctly, the principal advantage, particularly to television affiliates, is the fact that national programming is carried by advertisers which is available to the local affiliates. Is that the principal advantage?

Mr. POULIOT: As far as the affiliates are concerned? Well, there again it varies with the station itself. Some stations probably are happy to the CBC affiliates; others would rather be independent.

Mr. MACDONALD (*Prince*): This is a different point of view on whether or not the CBC should have advertising available.

Mr. POULIOT: I do not think the CAB as such can have an opinion on this. At a certain point, for instance when one starts a new television station, I think there is satisfaction in being a CBC affiliate because of the programming supplied.

Mr. MACDONALD (*Prince*): It ensures you of some basic revenue.

Mr. POULIOT: Yes. But when you grow up and increase the facilities you may want to have more prime time available to yourself for local production and other purposes.

Mr. MACDONALD (*Prince*): I think the principal problem that faces anyone who thinks seriously about the function of the CBC is the fact that almost all of their prime time is now made available to commercial programming, a very high percentage of which comes from the United States. I think this is of some concern to us.

Mr. POULIOT: It is to us too.

Mr. MACDONALD (*Prince*): I wonder what the reaction of yourself or any of the others would be to a suggestion that the CBC be permitted to receive advertising only for Canadian programming and that American programming or any other programming done outside the country be made available on a commercial basis only to other stations.

Mr. POULIOT: I am not sure that we of the CAB would be concerned about this or would like to express an opinion We have an affiliate here which might want to say something about it.

Mr. CRITTENDEN: Well, very definitely if you are in a competitive position where you are competing with, say, a CTV affiliate or indeed an independent affiliate and you are a private station affiliated with the CBC, then you are at a very distinct disadvantage. You are not only narrowing the program sphere

which is available to one particular station, you are also limiting, I think, the type of advertising that that station might get. There are several accounts, as far as network is concerned, that the CBC just will not countenance that automatically go to my competitor.

Mr. MACDONALD (*Prince*): This would be available to you on film or videotape.

Mr. CRITTENDEN: That is correct. In my own time I certainly can take advantage of it.

Mr. JAMIESON: I wonder if Mr. Crittenden would give us his views on a "possible alternative" as mentioned in your submission, that affiliates be reimbursed not on the basis of the advertising carried but on a fixed sum of dollars in return for "X" number of hours of time; in other words, that the whole basis of the affiliation relationship to the CBC be changed? I notice it is included as one of your possible alternatives.

Mr. CRITTENDEN: Mr. Jamieson, this has been discussed at our affiliates meeting and there are some stations which have no competition at this stage of the game that I think would be in favour of accepting payment for the release of CBC programs. On the other hand, there are other stations which are in a competitive position and payment for the program is not at all their salvation. The program that might be carried makes it totally non-competitive with our competitor across the street and money does not solve this. A normal payment for that particular program would not heal the wound that we might receive. With due respect to the Canadian Broadcasting Corporation there are many, many programs that they carry that garner us a great audience but there are some that are pretty tough to carry in a competitive situation. In our particular case, getting paid for the programs would not be the solution.

Mr. JAMIESON: If Mr. MacDonald would permit another question, would you say that there is a basic conflict between the fundamental objective of the CBC to provide "meaningful programming in prime time and not only its own commercial objectives but the interest of its private affiliates."

Mr. CRITTENDEN: Yes, there has to be a conflict in this area. Everybody is desirable of having a viable situation in broadcasting and in some centres this has proven to be an impossibility. There is a conflict of interest. We think the White Paper and, indeed, the troika report and subsequent statements that have been made by the board were the ultimate as far as each community is concerned, and that where two stations make economic sense, one must be a CBC station and one must be a private station. On that basis there are not too many areas of conflict. If that could be done smartly most of the problems would be resolved.

Mr. MACDONALD (*Prince*): I think this points up one of the real problems that needs to be grappled with in this new broadcasting act, otherwise we are going to have a continuing CBC television system which is really only doing half a job, if that.

I would like to come back to something that has been referred to off and on, the encouragement of talent by private radio and television. I am going back

now to the Fowler Report of 1965 and on page 51 in talking about private radio the Fowler Report states:

> Finally a few stations—particularly those that broadcast in French —have made appreciable efforts to use the services of Canadian artists.

Mr. Pouliot, I think that this points up one factor. You represent actually a much better aspect of broadcasting in terms of encouragement of Canadian talent than perhaps some of the others who have not had an opportunity to speak quite as much.

On page 52 of the Fowler Report I think there is a very strong condemnation of private radio. It says:

> In many cases, radio has become a mere machine for playing recordings of popular music with frequent interruptions to carry as much advertising as can be sold. This is particularly true for private stations not affiliated with the CBC. The regions served by one or a few stations are thus very far from receiving the "Varied and comprehensive broadcasting service of a high standard" that is required by the Act. Even in the large urban centres, the granting of many AM licences has often led to a general lowering of quality and a decrease in variety. This has allowed some listeners to ask themselves whether it would not be better to be served by a single station that would have to answer to the different needs of its audience, rather than by many stations that each broadcast only programs aimed at the largest audience. Furthermore in emphasizing local service, many stations have neglected to offer their audiences an outlook on Canadian and international reality.

Then it goes on to state that in fact in 1963, the latest report for which statistics were available for this report:

> 49 French-language stations spent $799,000 for artists' fees, but 180 English-language stations spent only $1,064,000 for this purpose—

This means that the annual averages were $16,300 and $5,900 respectively. It goes on to say:

> On the average the French-language private radio stations spent nearly three times as much as their English-language counterparts.

I think this does point up the problem that in French-speaking Canada there has been a greater necessity to encourage the use of Canadian talent simply because they were not being bombarded in their own language south of the border as we have been in English-speaking Canada. I think this puts a very great responsibility on English-speaking radio and television to exercise their franchise in the most advantageous way in terms of this whole business of the Canadian identity and so on. Again, I think in respect of this tax that is levied, which amounts to some one million dollars or so, whether or not there should not be some way of perhaps making even a thing like that on a sliding scale according to the performance of an individual station in encouraging and making use of talent. What would be your reaction to a proposal like that?

Mr. POULIOT: First of all, I would like to accept some merit for what the French stations have been doing but I do not think we should; it is simply a

question of circumstances. And here again it has been a question of acceptance by the public. If the French stations use more French-Canadian talent it is simply because the public wants it. The public is quite happy in Quebec and Montreal or throughout the province to listen to French-Canadian singers because they prefer this to whatever is available from the United States. Here again it is the public who decides the type of programming that we will give them. I admit we have been forced by circumstances to do it.

Mr. MACDONALD *(Prince)*: Is it not a two-way street. Is not saying it is what the public wants a little over-simplifying the answer? It always seems to me that it is a two-way street. It is not only what the public wants but it is what they are given and what they are taught to appreciate simply because of what they are exposed to again and again. I am thinking of new recordings. I remember, for instance, the first time I ever saw Elvis Presley on television and I said to myself: "There is something that is really amazing. How can that thing ever even be acceptable." Of course, everyone knows what happened to Elvis Presley. The same thing I think is true of over-all broadcasting. You encourage people to like something by the degree to which they are exposed to it. So there is a responsibility on the part of the broadcaster to both develop taste as well as respond to public opinion.

Mr. POULIOT: The station definitely can influence the taste of the public but I do not think that television or radio create a talent. Elvis Presley was there before television made him popular and whatever talent he has he had before he appeared on television. Television and radio are more or less a stage on which talent performs. We do not create the talent.

Mr. PELLETIER: Does that not lead one to conclude that the station is strictly governed by the ratings, which is the only indication we have of public acceptance, or does a programmer, even in a private station, have judgments of his own to make on standards, quality, usefulness and so on.

Mr. POULIOT: Obviously we have judgments of our own. I am not saying that we only go by the ratings.

Mr. PELLETIER: You do have a notion of quality?

Mr. POULIOT: I have never denied that I have a notion of quality. I am simply saying that my notion of quality may not be yours. I am saying that a notion of quality is subjective.

Mr. PELLETIER: So, as part of an audience I have to accept yours, of course.

Mr. POULIOT: No, I think as a programmer I have to accept yours and I will try, like in any discussion, one of which we are having today to put my point of view across. But, finally, I do not think I will be the one to decide; the public will be the one to decide.

Mr. PELLETIER: The rating is supreme.

Mr. POULIOT: Well, after all we are catering to the same people that you people are catering to when you have an election,—the housewife,—who votes for you instead of your opponent. She is using her judgment. She is the same housewife who decides to listen to Presley or somebody else. Now, in your case you are saying the public is suffering. The day after an election you say: "vox

populi, vox Dei."—God has spoken. To me it makes sense. The woman who chooses between a soap box with a towel in it or a five pound box of detergent without a soap box is the same woman who the next day will choose between the different parties and between the different programs.

The CHAIRMAN: Is it not possible that in politics as in broadcasting often the choice is not wide enough.

Mr. POULIOT: It may be that the choice is wide enough. You should understand our position because you have to go to the same people and present a program to get elected. I do not think that you are catering to the lowest common denominator when you want to get elected. I would not if I ran for office.

Mr. MACDONALD (*Prince*): Mr. Chairman, may I be excused? I have to do a radio program.

Mr. HYMMEN: Mr. Chairman, I have just a few short questions I would like to ask Mr. Pouliot. On page 4, under "Conditions of licence", you say:

—the station's operating record should be the major factor—

—Now under the "operating record" you are, of course, referring to the statistical records, revenue and expenditures, number of hours, Canadian content and many other things. Is the BBG or any other agency carrying on a continuing or intermittent assessment of private station operations regarding a rating—I am not talking about audience rating; that is something else—as to quality and good taste, which would be on record at other times than at such a time a licence renewal is applied for? If not, should this be carried on by someone?

Mr. POULIOT: When we go to the BBG for renewal of a licence the BBG has on record the statements of the applicant when he received his licence the previous time, and there is definitely a study made by the BBG of the station's schedule and programming, which is compared with whatever promises he has made. This is taken into account at renewal time.

Mr. HYMMEN: But I am talking about programming. You have your audience ratings which are usually determined by private agencies, and that would be in the report. We talked about this yesterday but we kind of went around it. It is awfully difficult to establish standard criteria whereby each station would be judged on certain merits. Is there anything of this kind being done or should it be done under the direction of the regulating agency?

The CHAIRMAN: I think when the Chairman of the BBG was here he acknowledged that it is not being done. There is a statistical record but not an attempt to monitor the programming.

Mr. HYMMEN: I was not here when the Chairman of the BBG was here and because I have not been able to obtain the minutes to read them I do not know what he said.

Mr. POULIOT: We are back into this difficult area of judging the quality of programming. To the best of my knowledge the BBG realizes this difficulty. I think they are trying their best to see that the service available in an area is varied and comprehensive as the act says it should be. The act does not define what is meant by "varied" and "comprehensive"; whether each operator in the

region should be varied and comprehensive or whether the total service should be varied and comprehensive. If you have a large area like Toronto or Montreal, with many stations, there may be a tendency for each station to specialize. One might specialize in popular music, western music, good music, and so on, with the total service available to the population being varied and comprehensive, although in each station you might find that you get the same type of music or something else all day and nothing else.

Mr. HYMMEN: My reason for the question was that it might assist private stations to keep their standards up, which they need to bring up in order to provide a better over-all operation.

You seem to agree with the White Paper on the second-station aspect and you mention many times that the desirable situation would be full competition between two networks: the public network and the private network. Then we have gone into this question of Canadian content and just a few minutes ago we got into another phase, but I have a specific reason for asking my question. There has been some criticism in the past about the type of programming on a private network, CTV. We get into a public service or public affairs type of program area which may or may not be sponsored, and of course the CBC with unlimited capital provided at the discretion of parliament can have unlimited resources for a program such as we see on Sunday evening. Now on the private network, there is another program—I am not naming either one—which I understand is currently produced at about less than one quarter of the budget of the program on CBC on Sunday night.

Regarding the financial aspect, is the private network experiencing difficulty in keeping up with the standards and the programming of the public network at the present time?

Mr. POULIOT: I do not know, sir, if I am qualified to answer this question on CTV financial problems; I do not have their figures. I am afraid there is not anyone here this morning from the CTV network who could help us. We had Mr. Peters here last night but unfortunately he had to go. Obviously it would be more difficult for CTV to produce shows with the same budget. They endeavour of course to produce as good a show with whatever budget is available and whether they succeed or not, I do not know.

Mr. HYMMEN: Thank you.

The CHAIRMAN: Are you finished, Mr. Hymmen.

Mr. HYMMEN: Yes.

Mr. COWAN: May I ask if I will be given an opportunity to ask questions. I did not file a request with you to go on the list because I do not think it is necessary. I am still a member of the committee.

The CHAIRMAN: The clerk has made a list—

Mr. COWAN: I did not ask to make a list.

The CHAIRMAN: —on which he puts the names of those who would like to ask questions. So if you would like to ask a question, I will ask him to put your name on the list.

Mr. COWAN: I am not asking to have my name put on the list. I do not have to ask the Speaker of the House of Commons permission to ask questions, and I am darned if I am going to ask the Chairman or the Clerk of this Committee. Mr. Prittie had a run last night and I sat here silent.

Mr. PRITTIE: Mr. Chairman, let us get this matter cleared up. I purposely waited until everybody had put their questions and I had assumed that everybody who wanted to question had given his name to the Chairman or the Clerk, which seems to be an orderly way of doing it.

Mr. COWAN: Is that the way it is done in the House of Commons?

Mr. PRITTIE: I will yield to Mr. Cowan, and then if there is time after that I will question. Yes, it is done in the House of Commons that way; you give your name to the Speaker.

Mr. COWAN: When you ask questions do you send them up to the Speaker?

Mr. Chairman, I have one or two questions that I would like to ask. Last night you were talking about Canadian talent and you said something about Betty Kennedy and that when she appears on the television show it is considered Canadian content, but when she is on CFRB she is on salary. What is the point you were driving at there? She has a program on CFRB each afternoon that I know of; she may have more than one.

Mr. POULIOT: My point, Mr. Chairman, is that the definition of Canadian talent or the figures used to measure the amount of help given to Canadian talent in the Fowler Report, for instance, and in the DBS figures, include only the amount of money paid to people who are not on staff. Therefore we say that the figure shown as the amount of our contribution to Canadian talent is much too low.

Mr. COWAN: I agree with you, if that is the way it is done.

Mr. POULIOT: I gave Betty Kennedy as an example because I was interviewed by her on CFRB and this point came up; she brought it up herself. She said, "If I am being paid on CBC it is Canadian talent, but what I get here at CFRB is not."

Mr. COWAN: Well, that is ridiculous.

Mr. POULIOT: And I said that this is the way it is calculated. I believe it distorts the figure.

Mr. COWAN: Thank you for bring it to our attention. When you were speaking last night you said that if a man sang a song over your station, he would sell ten thousand records the next day. What was the point you were trying to make when you said this chap appeared on your station and then records were sold the next day.

Mr. POULIOT: We started something a couple of years ago. When we have to kill two or three minutes at the end of a program, we video tape a local singer or an artist with his music as background and he mimes the song; the record companies are quite happy to do this; the singer is very happy to come to the station and tape this two or three minutes song and we use this as an interlude.

When we do that it popularizes the song and people will buy it, as a result of which he gets the revenue from the sale of records. I was bringing this up as a contribution to Canadian talent.

Mr. COWAN: I thought that was the point you were making yesterday. When a hockey player is shown on television or his game is described over the radio and he plays a marvelous game using all his talent, who gets the benefit out of the TV fees or the radio fees paid for that hockey game? Does the player get it? I speak of Canadian talent now; one man is a hockey player; the other is a singer.

Mr. POULIOT: I believe that because of television the sports people are getting more revenue than they used to get.

Mr. COWAN: Anything like the money that you people pay in the radio and television fee field for these games?

Mr. POULIOT: I would not know.

Mr. COWAN: Might I even ask you, through the chairman, do you suspect so?

Before I go on to the White Paper, sir, I would like to ask another question. When a private operator of a station such as yourself sets advertising rates—I have been in the advertising business all my life, but that is considered by some as a very poor background for discussing advertising rates in the CBC—does the CBC enter into your calculations in any way. The CBC does not have to have advertising rates high enough to cover all their expenses. Mr. Hymmen said a little while ago that the money that went to the CBC was granted at the discretion of parliament. He overlooked the fact that we never know about the money going to the CBC until we read it in the papers. Mr. Lamontagne announces ten millions here and ten millions there; it is not at our discretion. Since the CBC does not have to cover its expenses, is there any co-operation between the private stations and the CBC in setting the advertising rates on a private station so that they will cover your expenses?

Mr. POULIOT: There is a discussion on rates. The private station sets its own rate, I guess, according to the conditions of its area, depending on viewers. It is normally based on the audience; the more audience you have the higher the rate the same as the newspapers.

There is a CBC commercial committee which consists of CBC people and representatives of the affiliates, where the network rate is discussed and set.

Mr. COWAN: The CBC or private network?

Mr. POULIOT: The CBC network. The CBC does not accept your local rate or what you use on your station as the rate for the network, they set a different rate for your network. They are the authority which fixes the rate in this case and it very often happens that your rate on the network is much lower than what you could get if you were operating independently.

Mr. COWAN: This is the point I was trying to make: that the independent stations, instead of being allowed to set the advertising rate high enough to cover their expenses, have to take the rate that is set by an organization that does not have to worry whether it covers expenses or not. Is that what you have just said right?

Mr. POULIOT: Yes.

Mr. COWAN: While we are on advertising—I understand advertising was ruled out of order last night although I do not know the reason for it—at the top of page 15 of this long presentation you quote from the White Paper:

> —the Corporation should seek to retain but not to increase its present 25 per cent share of the television advertising market and 4 per cent share of the corresponding radio market.

I do not believe that the CBC should be selling advertising at all in competition with private publishers and private stations. With this in the White Paper, how would they set that present 25 per cent share? Would they take the current year, or would the goal be based on the 25 per cent of the advertising revenue of the previous year so are they prophets who can see that the advertising market is going to be in the current year and can therefore set the 25 per cent goal in January and February as the year proceeds.

Mr. POULIOT: I do not know, sir, and this is why we think that this point should be clarified. But we have to know the rules of the game if we are going to compete with the CBC for advertising revenue.

Mr. COWAN: You do not know then whether the 25 per cent of the advertising revenue refers to the year before or the current year?

Mr. POULIOT: No.

Mr. COWAN: In the course of your paper—I am speaking of the long paper that you had presented regarding the White Paper—you have on page 7 the following statement:

> No way has yet been found to compel individuals to select only specific programs. We hope it never will.

Then, on page 20 in the proposed new legislation you recommend the new legislation contain a preamble reading:

> The impartial agency of control shall do everything possible within its powers to resist any attempts to . . . abuse freedom of speech . . .

I presume that when you are talking about freedom of speech you mean freedom of the press as well, which means the freedom to listen to what you want. I am somewhat surprised to find the CAB on page 2 of your short statement which we were given last night, state:

> First, broadcast material is heard and seen by Canadians at their will and by their choice. No one can force Canadians to watch or hear any programs at all, let alone particular material.

What surprises me is that over on page 5 you state that the Canadian Association of Broadcasters feels that:

> The recommendations of the White Paper . . . on community antenna television and related systems are sound and practical.

Why do you want to interfere or suggest that there be a control placed on CATV which is simply a case of a subscriber to the system choosing to listen to the station of his choice.

Mr. POULIOT: I think it depends on the type of control we are talking about, Mr. Cowan. We do not think that the material on the CATV community antenna system should be controlled, but we think for instance that there should be technical standards which would allow the viewer to get a good picture from all stations, at least from the Canadian stations. There is no standard today, or no way of enforcing it. You may have a community antenna system—I will use Vancouver as an example—on which you get a very good signal from American stations and you might tune into a Canadian station and get a very bad signal.

Mr. COWAN: That is entirely up to the man that is selling the service. If you do not like it you can quit the subscription any time you wish. Why should the government interfere in the operation of CATV receiving stations.

Mr. POULIOT: In a way we are in competition with the community antenna.

Mr. COWAN: You are, directly.

Mr. POULIOT: Personally, I think we should operate under the same rules and I would much prefer that some of the regulations we have to meet should be removed so that we can compete wtih these people. But if we are going to be under certain regulations, we feel that possibly a similar type of regulation should be applied to the other people.

Mr. COWAN: Mr. Chairman, through you, the CATV system is not a broadcasting system at all.

Mr. POULIOT: No; I agree.

Mr. COWAN: It is just a receiving system and if I want to listen to a certain program I turn on the station I want. Why do you think it should be under broadcasting regulations then? Nobody tells me what book to read, or what magazine I shall turn to, or what periodical I should buy; or do you think that should be controlled too so that I will get Canadian content.

Mr. POULIOT: No I do not think it should be controlled as to content. We did not say that.

Mr. COWAN: Control of my purchase then.

Mr. POULIOT: Maybe ownership is an area where there should be some control. And possibly on the technical side of it there should be some rules and regulations which would apply to the antenna system. I do not think that programming on the community antenna system should be controlled in any way. I think this is a private affair.

Mr. COWAN: Mr. Chairman, through you, what control should there be then, if not on the programming. Why any control at all?

Mr. POULIOT: I am mentioning possibly the area of ownership of the community antenna system.

Mr. JAMIESON: The White Paper goes further I think by suggesting the BBG should have the authority to determine whether or not a community antenna goes into a particular area.

Mr. POULIOT: That is the licensing field.

Mr. JAMIESON: Yes. Do you subscribe to that too?

Mr. POULIOT: Well possibly to bring some order out of chaos. There could be difficulties if you had five, six or seven people trying to put up a community antenna system in one area.

Mr. COWAN: Are you against free enterprise?

Mr. POULIOT: No sir; I am for it.

Mr. COWAN: All right.

Mr. POULIOT: I am all in favour though of people having a licence to drive a car just to protect my freedom to drive on the road safely. The licencing may be simply to protect your freedom to watch community antenna systems. It is the same as the licensing of a television channel on channel 4 or 5: you could say that you are licensed to operate on channel 4 so that the public only gets one station on channel 4. If everyone would agree to go on that frequency nobody could pick it up.

Mr. COWAN: The broadcasting business requires a certain channel on which only one station can operate at a time. The receiving of programs is not that limited; you can have six or seven stations on your CATV. Why have a control on which one of the six or seven stations I happen to listen to?

Mr. ALLARD: Mr. Chairman, if I may, we are not here endeavouring to solve a problem for us or for the broadcasting industry. What we are trying to do is to be helpful in endeavouring to assist Parliament and the Government in solving a problem of its own and a problem, the validity of which we freely admit, and the end result of which we subscribe to.

Successive governments have selected broadcasting in Canada as a chosen instrument of national policy for certain purposes, some of them stated, most of them unstated. But in general terms these policies are those of development of Canadian unity, the showing of Canadians in one part of the country to each other and this kind of thing. It is referred to as a national policy. Indeed, this was one of the basic purposes for which the CBC, as I understand it, was originally created. Now, Parliament has put into effect certain legislation and certain regulations have been created by various administrative tribunals to try to accomplish these objectives. What we are trying to point out is that the White Paper recommendation makes sense if Parliament and the Government is determined to have these national objectives met. If Parliament or the Government wishes to change the nature of these objectives or if it does not wish broadcasting to continue as a chosen instrument to achieve these objectives then we have no concern about the near-broadcasting systems, the CATV systems at all.

Mr. COWAN: Mr. Chairman, Mr. Allard is referring to broadcasting systems and chosen instruments, but I am talking about a receiving system. I am not talking at all about a broadcasting system.

I just want to ask Mr. Pouliot if the basis of support of paragraph 10 on page 13 of the White Paper is not openly disclosed by Mr. Fowler in this statement of 1965 entitled "Broadcasting" where he writes at page 253:

> There are, however, many single-channel areas where regulatory policy to nourish or support the licensee has been negated by the sudden

> intrusion of a number of new signals which dilute the audience and damage commercial support.

Is it more important that the single-channel areas be protected so they will have a profit than that the people in that area should have a freedom of choice to look at what programs they wish by means of CATV?

Mr. POULIOT: We did not say that. That is what Mr. Fowler said.

Mr. COWAN: No, no. You say here that you support the recommendation of the White Paper which is, as Mr. Jamieson has pointed out, that it be licensed. Your two submissions are confusing when it comes to page numbers. On page 12 you state:

> The position of The Canadian Association of Broadcasters is set forward in a policy resolution passed by its 1960 Annual Meeting which reads:

Then in part:

> —the Association adopts the view it should equally apply to all communications devices whose end product is the same or closely parallel to that of broadcasting.

You admit the CATV is not broadcasting. You have to use phraseology "whose end product is the same or closely parallel to that of broadcasting." Why would this not apply to the press as well? The press endeavours to be informative like the broadcasting stations; the press endeavours to be entertaining like the broadcasting stations. Why would this resolution of yours not include the press as well as the CATV systems?

Mr. ALLARD: Very simply, Mr. Chairman, because Parliament and Government have not seen fit to elect the daily or weekly newspapers as a chosen instrument for the furtherance of the national purpose.

Mr. COWAN: Mr. Allard, do you think we should?

Mr. ALLARD: That is a question for Parliament and the Government to decide. What we are dealing with is the situation that exists. If at any time Parliament or the Government decides that broadcasting is no longer a chosen instrument of the national purpose, we would have no concern whatsoever with CATVs or any other near-broadcasting system.

Mr. COWAN: The CAB and the CBC love to have their representatives classed as press people. This is because the press have been established for many, many years. They are in the same business of communications. But at page 2 of their brief they have the heading referring to the White Paper at Page 5, Section I, paragraph 1 which reads:

> In this the White Paper poses this question: "How can the people of Canada retain a degree of collective control over the new techniques of electronic communication..."

Does the CAB feel that there should be a control over electronic communications as separate from the press communications or freedom of speech which is another form of communications? Why control electronic communication under this White Paper?

Mr. POULIOT: In the same resolution you were quoting before we say that the CAB reaffirms its belief that the broadcasting industry should be governed by the general rule of law and not by specific discretionary regulation. Then we go on to say that as long as we have discretionary regulations and we are forced to compete with the medium which, as you say, I believe is receiving and not broadcasting,—

Mr. COWAN: Pardon me. You agreed that CATV is receiving and not broadcasting?

Mr. POULIOT: I, personally, agree; I certainly agree it is competing.

Mr. COWAN: Thank you; thank you.

Mr. POULIOT: I could do the same thing if I had enough money by putting up a 200-foot mast at my cottage somewhere; I would obtain the same results. But we are in a position where we have controls imposed upon us. We are given a role to play by Parliament.

Mr. COWAN: Is that with respect to broadcasting or receiving?

Mr. POULIOT: Because we are broadcasters.

Mr. COWAN: Okay, all right, because you are broadcasting.

Mr. POULIOT: Then we are put in the position where the people we are supposed to broadcast to are given another means, call it receiving or something else, that they can use instead of our medium, and this seems to defeat the purpose of the law.

Mr. COWAN: You do not like competition?

Mr. POULIOT: I love it.

Mr. COWAN: Well, what did you say just now?

Mr. POULIOT: As I say, the first thing we say here is that we would like to be in a position to compete with it. We would prefer to have the impediments in our operation removed so that we could compete with these people.

Mr. COWAN: We all would, Mr. Pouliot.

Mr. POULIOT: I think control on the electronic medium of communication should be limited to the licensing. This is what the difference is. We have been told that there are so few channels available that they have to be licensed. Yet the press simply can go on and anyone can open up a newspaper, theoretically.

Mr. COWAN: I have been in this business. I liked to see impediments in that business removed from time to time. I did my best to remove a few of them but I never asked the Government to help me.

Mr. Chairman, through you, have you any objections to communications I receive over the telephone, which is an electronic communication system. Would you have it controlled too because it is an electronic device? I am just inquiring.

On page 254 of Mr. Fowler's report there is another phrase which bears on the one I mentioned about the single-channel areas that evidently Mr. Fowler thinks the Government must guarantee a profit to and he goes on to say:

> On the other hand there is growing recognition of the neeed to examine the effects of CATV on stations in thin market areas whose ability to conform to the Canadian content regulations is being jeopardized by this new competition.

Of course Mr. Fowler is pointing out, if you read it closely, quite definitely that CATV does affect the revenues of the radio stations or television stations in the area because if the audience is looking at the CATV station they sure as the devil are not looking at another station which is trying to sell advertising. But in that connection, why could we not change the regulations for those stations in thin market areas whose ability to conform to Canadian content regulations is being jeopardized by this new competition. If people wish to look at the CATV and pay regular monthly fees to do it what concern is it of the radio or TV stations in the area what that person is looking at and how he spends his money.

Mr. POULIOT: I do not think it is of any concern, sir, unless the Government tells us that we have a role to fulfill.

Mr. COWAN: I am very happy with your answer that you do not think it is any concern. We will wait for the Government, as you call it, to bring the matter up in another place.

Mr. POULIOT: May I point out that many, many stations are happy with community antenna. Very often it improves their own coverage and gives a better service.

Mr. COWAN: This is being electronically recorded, is it? That is fine. Keep right on going.

Mr. POULIOT: And many stations will get into the field of community antennas.

Mr. COWAN: I agree 100 per cent with you. I know your comments are quite correct.

On page 3 of your submission, commenting on the White Paper, Page 8, Section II, Paragraph 4 speaking of the regulatory agency that is being proposed, you state:

> We recognize that this agency would be primarily concerned with the private sector. We see the exercise of its authority relative to the Corporation in areas where the interests of the—

corporation

> —are competitive with those of the public.

Are the interests of the CBC ever competitive with those of the public? I thought the CBC existed to serve the public interest?

Mr. POULIOT: Well I think in practice any Crown corporation, any Board of Directors of a Crown corporation has to operate in the interests of the corporation.

Mr. COWAN: Not in the interest of the public?

Mr. POULIOT: It may be that the interest of the corporation and the interest of the public will be exactly the same.

Mr. COWAN: Should they not be if it is a Crown corporation?

Mr. POULIOT: It depends on what we call the public interest. It may very well be. Take the CNR, for instance; it may have a line going from A to B and in the interest of the CNR they might say: "Let us drop that service."

Mr. COWAN: No. In the interest of the taxpayer they would say, "Let us drop that service," not in the interest of the CNR.

Mr. POULIOT: Well they might or they might not; I am not sure. But in that case you have an independent board, the Board of Transport Commissioners, which will say: "No, you will not drop that line because it is in the public interest that it be continued."

Mr. COWAN: Mr. Pouliot, on page 4 you make quite a fews comments, for which I admire You and your association, with regard to the regulatory authority being judge, jury and executioner under the new proposed set up. You very capably outline the method by which you apply for licences and then say "you wind up right back where you were before." I want to ask you point blank, sir, through the Chairman, do you not think this was done with malice aforethought?

Mr. POULIOT: Without what, sir?

Mr. COWAN: Do you think this was not done without forethought?

Mr. POULIOT: Well, I do not know about the forethought of the people who wrote it.

Mr. COWAN: I mean to bring it right back to where we were when we started? The politicians would not be able to brag that we removed the granting of licences from the field of politics if we did not make this proposed change? I thank you for putting your finger right on the situation, sir; I congratulate your association for it. You are quite right when you say:

> Yet, if appeals can be taken to the governor-in-council, we are right back into the area of concern—

and on page 5, you state:

> The White Paper recommends Board of Broadcast Governors undertake "in collaboration with the Canadian Broadcasting Corporation" objective research into all matters bearing upon broadcasting in Canada.
>
> We think this is a desirable objective. Would it, however, be possible to include the privae broadcasting industry—

I can only ask you the one question. Why not? Does only the CBC and the BBG know all about television and radio? Certainly, you are on firm ground when you ask that question, and I for one will see that you are consulted because I think you are the knowledgeable people in the field.

Then I have here "judge, jury and executioner," and this is based on your comments. I do not know whether the public still use that expression the way it used to, but I thank you for demanding that parliament define the corporation's mandate. Even the corporation, that is the CBC you are referring to, does not know what mandate means. Mandate is an order; it is a directive. But they have

not a directive in the Aird Commission report of forty years ago. It talks about a national radio service. They call that a mandate.

Mr. JAMIESON: Would you let me interject a question on research Mr. Cowan, if the Chairman will permit, because it is important?

Mr. COWAN: I will let you.

Mr. JAMIESON: Fine. Mr. Chairman, I agree heartily that as many people as possible should be involved in research. What I am wondering, however, is this. I have a feeling that the reason it is not included in the White Paper is a matter of whether the government should legislate you into a position where you are obliged to participate in research. For example, would the CAB favour a legislative requirement in the act that it participate in research? I have a feeling, I repeat, that this was why agencies other than those of the Crown were included amongst the parties to which direct reference was made. I would like to hear what the witness has to say.

Mr. POULIOT: You are possibly right but I do not think this would prevent the White Paper or the legislation from stating that CAB would be welcome to participate if it so desired.

Mr. JAMIESON: Yes, but I do not know whether you can write legislation in that manner. This is my point. I am quite sure that among the members of this Committee and elsewhere there is great enthusiasm for getting as many participants as possible but if it became a statutory requirement—

Mr. ALLARD: We took the recommendation, Mr. Chairman, to read that the Board of Governors would be directed by parliament through the government to undertake certain research activities, and that it would be suggested to the BBG that it might want to invite the CBC, that is the phraseology used in the White Paper, to collaborate with it, and we are simply saying that if the BBG is in fact directed by parliament to do certain things then we see no reason why the BBG might not wish to consult with us as well.

Mr. JAMIESON: I do not disagree, Mr. Allard. I am merely saying that, in line with the idea of leaving private agencies as free as possible from the statutory limitations, this may have been the motivation.

Mr. ALLARD: It may have been. We were working on the assumption that it was a voluntary project at that stage.

Mr. COWAN: Then, Mr. Chairman, through you to Mr. Pouliot, at the bottom of page 15 of your submission you write:

> Alternatively or additionally, the—

Canadian Broadcasting—

> —corporation might pay such affiliates a fixed yearly sum of money in return for carrying specified corporation programs.

Are the privately owned stations in a position to accept programs directed to them by the CBC at a flat fee per hour or half hour if the CBC were to abandon the physical plant that they have from coast to coast? I am not saying all the CBC programs such as when the CBC puts on that great Canadian program "Bonanza" or puts on a great Canadian program like the "World Series" and that

sort of thing. I am talking about when they have these high sounding lectures by officials from the Art Gallery and the director of the swimming pool and the rest of it, how to save other people from drowning. Could you accommodate them if the CBC said they would like to run this quarter hour program on lifesaving and they would like you to run this high-falutin lecture of Canadian art as compared to Florentine art? You have the time to do it?

Mr. POULIOT: I think we could possibly run this kind of program.

Mr. COWAN: It would not be necessary to run the CBC to play all these "junk" records and "crap" records to which reference was made previously, in order to entertain and amuse the public; if these high-falutin CBC programs could be accommodated on private stations, it is not necessary to conduct a physical plant from Nanaimo through to St. John's, Newfoundland.

Mr. POULIOT: You said it, not me.

Mr. COWAN: Oh, well, Mr. Chairman, through you, do you disagree with me, sir? Do not answer, Mr. Pouliot.

Mr. POULIOT: I think I disagree this time.

Mr. PRITTIE: What I would like to hear, Mr. Pouliot, is if you think the CBC should be scrapped like Mr. Cowan desires, or not?

Mr. COWAN: The high-falutin programs that we are told are of such high cultural value can be easily carried on the private stations.

Mr. PRITTIE: But you want to get rid of the whole thing.

Mr. COWAN: Oh, God, no. I would not want to miss "Bonanza" over the CBC. Honest to God, I would not. I do not like "Bonanza" when I get it over a Buffalo station.

Mr. PRITTIE: It has a Canadian on it.

Mr. COWAN: Yes, it has a Canadian angle in there. It is like when I watch the Stanley Cup Playoffs when New York is playing Chicago, that great Canadian spectacle—Chicago versus New York.

Well, sir, these were the items I wish to discuss with the CAB. I want to thank you, sir, for your straightforward answers.

Mr. PRITTIE: Mr. Chairman, I will be very brief.

Mr. ASSELIN (*Charlevoix*): When will we be rising, sir?

The CHAIRMAN: Whenever we are finished, Mr. Asselin.

Mr. ASSELIN (*Charlevoix*): When? After Mr. Prittie?

Mr. PRITTIE: I will not be very long.

Mr. JAMIESON: I would like to ask about the extension of service after Mr. Prittie is through unless that is what he proposes to ask.

Mr. PRITTIE: I will get into that briefly.

The CHAIRMAN: We could continue until one o'clock if there are still questions.

Mr. PRITTIE: I felt some dissatisfaction, Mr. Chairman, that the CTV itself is not appearing here because Mr. Pouliot is not empowered necessarily to speak for the network as such, but there is one thing that concerns me. There seems to be an agreement by the CAB and the CBC and the BBG that an ideal situation on television is that in a Canadian city where there is only one station now, if it is a private station the next station should be a CBC station and if the station is CBC there should be a private station allowed. This seems to be a general agreement which I have detected throughout the hearings.

Mr. POULIOT: We seem to think that the public would be best served this way.

Mr. PRITTIE: Yes. The question which comes to my mind here is this. It is bound up with the question of financing. The private stations in the early years had a difficult time with revenues, and expenditures. This has improved in larger centres but I believe that some of the smaller places still have this, and yet we have the proposal by the late Mr. Soble to the Board of Broadcast Governors that a third network be set up in Canada and surprisingly the BBG have agreed to have a public hearing on this. If we had all this difficulty with the financing of two television networks in the country, what is the situation if we are to contemplate having a third one? I have been under the impression that Canada can barely afford two. It has been difficult for many of the present stations up to this point and if this difficulty is compounded by CATV this is another subject; they are going to appear on their own. Have you any views on this question of a third network in Canada, another private network?

Mr. POULIOT: The BBG will have a public hearing I believe in March when this whole question is going to be studied and I believe there will be representations by CTV, and the CAB has not decided whether it is going to appear or not, as such. We will have a board of directors meeting at the end of the month and we will study this question. We have asked the BBG to reserve our right to appear at the March hearings to discuss a third network.

Mr. PRITTIE: Yes, well, your members have an interest in it and the organization may have an interest in it. Thank you very much. We hear a great deal about free enterprise in broadcasting and I do not think we should ever kid ourselves that this is, has ever been, or ever will be a completely free enterprise field in Canada because if it were we would let the NBC and the CBS and everybody else come up here and offer the people all the choice they wanted.

Mr. COWAN: We get it in Toronto.

Mr. PRITTIE: Yes, we get it in Vancouver, too. One other point has to do with alternate service. Mr. Fairweather referred to what he considered "junk" coming over radio and we all agree that what is "junk" is a matter of taste.

I had a letter recently from a man who moved from the Ottawa area where there are three or four private stations and the CBC so he has lots of choice of radio stations. He would have the same choice in Toronto, Montreal, Vancouver and Winnipeg but he has gone to a part of Ontario where there is just a private station. He is not too happy with the kind of service he gets because he does not get what he thinks are the kind of quality broadcasts he wants. Would you people generally agree that in many of the smaller cities of Canada where there

is only a private radio station at the present time the CBC should also put in a service, either by a manned station or by a repeater service? Have you any views on that?

Mr. POULIOT: Of course, I understand that this station is probably a CBC affiliate at the present time. Is the CBC service not going all over in radio? This private station is probably a CBC affiliate. I do not know how many hours of broadcasting a radio station must carry—maybe one of our radio experts can answer.

Mr. MOORE: Mr. Prittie, the CBC radio affiliate must carry a minimum of 27 hours weekly.

Mr. PRITTIE: Well, I think this fellow wants a full service. You agree that the public is best served in television by both networks. Would you agree to the same thing in radio?

Mr. POULIOT: I think we have to, yes.

Mr. PRITTIE: Thank you, Mr. Pouliot.

Mr. STAFFORD: I have just a couple of questions here. I will not be very long. What percentage of the programs on private stations are actually of American content, not what should be, what are?

Mr. POULIOT: On TV or radio?

Mr. STAFFORD: On TV.

Mr. POULIOT: On television?

Mr. STAFFORD: That is right.

Mr. POULIOT: I think this would vary from station to station. I do not think I have an average. I know the maximum allowed is 45 per cent. In practice, I believe it would be lower than that, depending on the area.

Mr. STAFFORD: Does the American content of those programs give the private stations their main source of revenue?

Mr. POULIOT: No. The revenue does not come from the program.

Mr. STAFFORD: I do not know much about the matter but does the very fact that they have these American programs, give them directly or indirectly their main source of revenue?

Mr. POULIOT: I do not know that this is so. I do not have any figures. In general, I would not agree with this.

Mr. RITCHIE: Mr. Chairman, that would change from city to city depending on what the competition is in the various areas. I do not think you could come up with a figure that would represent the across-Canada situation in this respect.

Mr. POULIOT: The CBC affiliate might get most of its revenue during the period from five to eight, or six to eight, before it joined the network at eight o'clock. This is the way it used to be when I was an affiliate. It would be mostly Canadian programming during that period—interviews, the local type of show. When I was an affiliate this was when I was getting most of my revenue, not from networks. Network revenue was actually less than 10 per cent of our total revenue.

Mr. STAFFORD: The point I was getting at indirectly was the fact that it seems that over 75 per cent of the total budget of the CBC must come from the taxpayer. I was just trying to distinguish in my own way some difference between the private programs and the CBC. What content of programs give private stations the most revenue, and why would not the same apply to the CBC? Why the big difference?

Mr. POULIOT: I am afraid I do not have the figures but I know it would vary from place to place and whether the station is a CTV affiliate or a CBC affiliate or an independent.

Mr. STAFFORD: Take a private station in the same area as the CBC station. It should not vary so much, should it? Take a CBC station in Montreal that must be subsidized to at least 75 per cent and take a private station. Are there private stations in Montreal that break even?

Mr. POULIOT: I would think so.

Mr. STAFFORD: Would you have any idea what their main source of revenue would be from one of these private stations?

Mr. POULIOT: In Montreal I believe the French station would get most of its revenue from Canadian programming—from its own programming. I would not know about CFCF, the English station in Montreal.

Mr. JAMIESON: Mr. Pouliot, perhaps I might ask a question for clarification here. Would you agree with this; were it not for the 40 or 45 per cent American programming and the strategic placement of it, the revenue potential of the station would be reduced substantially?

Mr. POULIOT: It certainly would. There is no doubt about it.

Mr. STAFFORD: Well, if the 40 or 45 per cent is this important, why do you have so much difficulty in determining whether or not the income from the United States is important, whether that is their main source of revenue or almost their main source?

Mr. POULIOT: I am simply saying that we have not the figures and I would not like to make a guess and be proved wrong.

Mr. STAFFORD: Well—how could you answer the question you just answered for Mr. Jamieson if you cannot answer my question?

Mr. POULIOT: Well, if we did not have the American programs—let us take a station in competition with American stations which let us admit it may be the most popular—and if we lost the audience we might get to a point where we might as well forget about revenue because we would not be able to sell any commercial time on that station. When you have an American program, whether you have a sponsor for it or sell spots, you might say you are getting your revenue directly because you have an American program. But you may use the American program to compete, to keep your audience, to become a popular station that has a regular audience and sell spots outside the American program. But, there again, you might say indirectly that this revenue would not be available if you did not have American shows.

Mr. STAFFORD: When you answered Mr. Jamieson's question I think you suggested that if the 40 to 45 per cent American content could be increased the

revenue of the station would increase. I suggest that you cannot get much more than 100 per cent content. I would take it therefore that increasing the American content would increase the revenue, but is this not rather variable?

Mr. POULIOT: I think if you were allowed to increase the 45 per cent American content probably a lot of stations would do so perhaps you would get a better rating and therefore you would be in a position to increase your revenue.

Mr. STAFFORD: Then the American content of the station is rather important?

Mr. POULIOT: Oh, obviously it is.

Mr. STAFFORD: Why is it not just as important to the CBC? Would you have any idea what percentage the programs on the CBC are American content? If you cannot answer the question, how does it compare with the private stations?

Mr. POULIOT: I do not know that there is that much difference. I do not have the figure.

Mr. CRITTENDEN: Mr. Stafford, the Canadian Broadcasting Corporation is competing for the advertising dollar, basically with the CTV network in at least 11 or 12 competitive markets and in order to get the sellable package they have to have top programming. There are some Canadian programs that do win audiences—there is no question about that—but in the main the American programs provide that base, getting the audience and retaining it, that gives them a sellable package to sell. In my own particular case you were down to specifics. My greatest earning power is between six and eight o'clock at night when the time is totally mine and not associated with the network with the exception of 15 minutes, I think it is, for "Nation's Business" on Wednesday night, but during that particular period 95 per cent of my time is Canadian content. The remainder of the time between six and eight o'clock is made up American content and we are able to retain a pretty hefty share of the audience, even competing against the competitor that is 100 per cent American during that particular time, or very close to 100 per cent.

Mr. STAFFORD: So that 75 per cent of the most valuable income-producing time is American between those hours?

Mr. CRITTENDEN: On my station.

Mr. STAFFORD: Then I take it that the CBC would be in a similar position? They would derive a similar percentage of income as private stations because of the American programs?

Mr. CRITTENDEN: Well, this is not necessarily so. Their peak earning time—I think I would be reasonably accurate in this area—would be between eight and eleven o'clock. I am not familiar with just how much advertising they are selling between six and eight, but from a reasonable view of, say, the Toronto station, I would think their earning power is during the hours eight to eleven rather than six to eight, as in our particular case. I have lost control of my time when I hit eight o'clock because the bulk of my time is consumed by the CBC network—from eight to 11.15.

Mr. STAFFORD: The point I was getting at is this. Does it seem natural to you that, operating under very similar conditions, in the main over 75 per cent of the

total budget of the CBC must come from the taxpayer? I just want your ideas on this. They make the same money, I take it, as a private station on the American programs and sponsored programs.

Mr. POULIOT: Not necessarily. The CBC may have a different rate policy. They may have different rates as they do, I think, in Montreal where they have not changed their rate for perhaps five or six years.

Mr. STAFFORD: The fact that you gave me no answer the several times I asked indicates that you do agree then that it is probably a necessity for the taxpayer to supply about 75 per cent of the budget of the CBC in order for it to operate. Is that right?

Mr. POULIOT: I am not familiar enough with the affairs of the CBC to give you a fair answer.

Mr. STAFFORD: Mr. Allard, have you any ideas on that?

Mr. ALLARD: I think Mr. Pouliot, Mr. Chairman, has made my answer for me. It may be that Mr. Stafford could more easily get this information from the Canadian Broadcasting Corporation.

Mr. STAFFORD: I take it, Mr. Allard, that in watching the CBC you have an idea of how many sponsored programs they have and would be able to answer the question fairly well yourself. I take it there is nothing hidden on the CBC screen, is there? You can see as well as I can.

Mr. POULIOT: It is pretty hard to determine their policy by looking at the programming.

Mr. STAFFORD: I did not ask you the policy; I asked you if, judging by the programs that you see on the CBC—you can list them the same as I can—do you feel that that much of the total budget should come from the taxpayer? That is the only question I asked you. You can tell by seeing the programs and comparing them with the programs on the private network. Are they that different? Are the revenue-producing programs in an ordinary day that different?

Mr. POULIOT: You are talking about the programming. Whether you see bad men on the one or the other. I do not think makes any difference. It is the way they operate. You are talking about revenue and you asked me, if I were running the CBC whether I could do this or that.

Mr. STAFFORD: Well then, could you if you were running the CBC?

Mr. POULIOT: You should not ask me because this is a hypothetical question. If I see a property on my station which is sold, I am pretty sure even without calling my comptroller that we are selling it for more than we have paid for it because otherwise I do not think we would stay in business. However, if I see a sponsored show on the CBC I do not know whether they sold it to the sponsor for more than they paid for it. There is no way for me to know this.

Mr. STAFFORD: If you can sell it for more, then I take it that the CBC could sell it for more as well, if they tried, could they not?

Mr. POULIOT: Well, as a guess, I would say yes, depending on what they paid for it.

Mr. COWAN: Mr. Stafford, if the Chairman will allow me a supplementary question, may I get one in there?

Mr. Chairman, I should like to ask Mr. Pouliot a question through you. He stated just now that when he sees a sponsored program on the CBC he cannot tell whether it has been sold for less than the program cost the CBC. Is it not correct that if I, as a member of parliament, got up and asked if they are recouping themselves to the extent of expenditure that made that program I will get the answer back that the CBC does not disclose any figures; because it is in competitive business?

Mr. POULIOT: Well, that could very well be, but there is not much I can do about it.

Mr. COWAN: No, not a darn thing, evidently; you or me.

Mr. STAFFORD: I want to ask you a few more questions on the White Paper. Does the White Paper properly define the role of the CBC?

Mr. POULIOT: I think it is probably the best we have seen yet.

Mr. STAFFORD: That was not my question. Does it properly define the role of the CBC?

Mr. POULIOT: I would have to know first of all what the role of the CBC should be.

Mr. STAFFORD: Well, with respect, if you do not know what the role of the CBC is, then it does not define it, does it?

Mr. POULIOT: I am not sure that I know what the role of the CBC is.

Mr. STAFFORD: No, but if the White Paper properly set out the role of the CBC you would know it just by reading it. That is the point I am getting at. Can you tell by reading the White Paper what the role of the CBC is? I am just asking you for an answer. I think you have already answered it when you said that, by reading the White Paper, "I do not know what the role of the CBC is", and I take it by the natural process of deduction that it is not properly defined.

Mr. POULIOT: Well, I—

Mr. ALLARD: Mr. Chairman, the role of the CBC is not defined at all in the White Paper, properly or otherwise.

Mr. STAFFORD: Is it defined in the revised Statutes of Canada?

Mr. ALLARD: In my view, no, sir. I know of no place where the role of the CBC has ever been clearly defined and, indeed, it seems to me that one of the questions the White Paper has asked of parliament is that parliament undertake to define what the CBC is to be and do.

Mr. STAFFORD: During the committee hearings back in 1966 it was obvious that there were so many CBC regulations that the officials themselves had difficulty in interpreting them. Do you agree, Mr. Allard?

Mr. ALLARD: Yes, Mr. Chairman, clearly, and there are still instances where there are difficulties in the interpretation of regulations.

Mr. POULIOT: Are we talking about the CBC or the BBG regulations?

Mr. ALLARD: Yes, the CBC regulations.

Mr. POULIOT: The BBG?

Mr. ALLARD: No, the CBC.

Mr. STAFFORD: Internal regulations.

Mr. ALLARD: Oh, in 1966 the CBC would not have regulations that applied to private broadcasting.

Mr. STAFFORD: No, that is not what I said. During the committee hearings in 1966 over the CBC disputes it was obvious in examining the witnesses that there were so many regulations, as I put it, that the officials themselves had difficulty in interpreting them; from one to the other, one witness after the other.

Mr. POULIOT: Internal regulations?

Mr. STAFFORD: Internal regulations. I said, do you agree?

Mr. ALLARD: I have no knowledge whatsoever, Mr. Chairman, of the internal affairs of the Canadian Broadcasting Corporation.

Mr. COWAN: It is not part of his business so he should not know.

Mr. ALLARD: No.

Mr. STAFFORD: Does the White Paper do anything to simplify or eliminate any of these complicated regulations? Do you see anything in here that would?

Mr. ALLARD: In my personal view, no, sir, it does not. It asks parliament to do this, but gives no idea how parliament is to do it.

Mr. STAFFORD: The answer is this Committee.

Mr. ALLARD: We have made certain suggestions which we hope will be helpful to parliament through this Committee, Mr. Chairman. I take it that this is one of the prime functions of and purposes for the existence of this Committee.

An hon. MEMBER: We have a mandate, too.

The CHAIRMAN: I should like to ask Mr. Stafford a question. Does he know from the submission of the CAB what the function of the CBC should be? If that is the purpose of the Committee and the purpose of their appearance here, perhaps we should have that opinion before these gentlemen leave.

Mr. STAFFORD: My business is not television and that is why I am asking the experts who are here.

The CHAIRMAN: I am not sure yet whether they have given an opinion what the function of the CBC should be.

Mr. POULIOT: I do not think we have, sir. I do not think it is the role of the CAB to define the role of the CBC. I think we deliberately left it out of our brief. We have very little to say about the CBC in our brief to the Prime Minister's parliamentary committee. We have said practically nothing on the CBC.

Mr. PRITTIE: I think this approach is quite right. They said they agree with the two station policies. They want the commercial part cleared up for their own guidance, but this is a quite proper attitude to take.

The CHAIRMAN: I think perhaps it is, but I understood from Mr. Allard that they were attempting to give us some guidance in this.

An hon. MEMBER: Oh, I do not think they have.

Mr. POULIOT: The only suggestion we have made is that the corporation should be bound by all provisions we have suggested as to broadcasting, the first part of it: that they should be under the BBG and operate under the same regulations.

Mr. COWAN: Mr. Chairman, perhaps the question you asked as to what the CAB is suggesting regarding the CBC is best answered on page 15 at the bottom, where it is stated:

> the corporation might pay...a fixed yearly sum of money in return for carrying specified corporation programs.

That is a very good suggestion.

The CHAIRMAN: Is your questioning completed, Mr. Stafford?

Mr. STAFFORD: I wanted to ask either one of the gentlemen at the head table if no one in Canada would be in a better position to define what the role of the CBC should be than you?

Mr. ALLARD: Mr. Chairman, I would not think so. We are in a position to define objectives we have for broadcasting because to a certain degree and extent it can be said of each broadcasting station proprietor that given a licence to operate he put the business into operation. With respect, the Canadian Broadcasting Corporation was put into operation by parliament and consequently, I suggest, it must be the responsibility of parliament to tell the coporation what it is to be and do.

Mr. STAFFORD: That is right, but you would be in a fairly good pospion, would you not, to define the role so that parliament could act on your recommendations?

Mr. ALLARD: If indeed, Mr. Chairman, we had ever ourselves had a clearcut indication from parliament of what it had in mind.

Mr. STAFFORD: I just want to know this. What do you think it should have in mind then? I do not care how you put it, even in your own words.

Mr. POULIOT: I think as an individual citizen of Canada, maybe with some background in broadcasting, I might have ideas, but I do think that as a representative of the CAB I am in a different position and I do not think the CAB should get involved in this.

Mr. STAFFORD: I am asking you then as an ordinary citizen if you would define, just briefly, what the role should be? In every other branch of law or statute you can usually define something but in the Canadian Broadcasting Corporation Act it is rather difficult and yet they are continuing on. Would you think possibly that is why there has been the trouble we have had in the CBC?

Mr. POULIOT: With respect, Mr. Chairman, I do not think I am here as a private citizen to express my own opinions on the CBC.

The CHAIRMAN: I do think, Mr. Pouliot, that it is a valid question to ask what your opinion is of the existing mandate, if you like, of the CBC and whether or not you think it is adequate, and what you think it should be. You are here to give an opinion on the White Paper and the issues raised in it, not simply on private broadcasting.

Mr. POULIOT: Well, am I not here as a CAB President and not as an individual?

The CHAIRMAN: If you feel that you have nothing to contribute on that subject, then I suppose that is the answer. But I think it is a valid question.

Mr. JAMIESON: Mr. Chairman, is it not part of the problem really than unless you have access to the internal workings of the CBC in addition to a knowledge of broadcasting it would be very difficult to give a definitive answer to that question. I think this may be the problem that the witnesses face.

The CHAIRMAN: I think Mr. Stafford's point is that they should be equally able to give an answer as should members of parliament.

Mr. STAFFORD: No, I did not say that. I think they should be more able because most members of parliament, with the exception possibly of Mr. Jamieson, know nothing about television at all. The only thing I know about television is sitting and watching a very few hours a week. Mr. Moore up there used to work for the CBC. Mr. Moore, could I put that question to you? I think one of the most important things we have to settle here is the role of the CBC. What do you think it should be since you used to work for the CBC?

Mr. J. L. MOORE (*Member of Board, The Canadian Association of Broadcasters*): I therefore, Mr. Chairman and Mr. Stafford, have an understandable bias, affection mixed with something less than affection. But I am here today not as a former CBC employee; I am here as a broadcaster-businessman and I underline both words. In the personal and private opinion of this individual the CBC, in all the exposure that I see on the screen, through the loudspeaker and through personal contact, is not an organization that is operated in a business like way.

The CHAIRMAN: I do not think that was the question.

Mr. COWAN: But it was a good answer.

Mr. MOORE: With deference, Mr. Chairman, it was the comment.

Mr. STAFFORD: The point I am getting at is this, and I have sat in a lot of these hearings, if experts on television, people like yourselves can never define a role that the CBC should have and have no idea what that role should be, how can they expect the cabinet or members of parliament who have much less knowledge of this to do it. I am asking do you have an idea, something to help? I would think that is one of the most important issues before us. If we could define what this role is, then we could go on. Even murder in the Criminal Code is defined so that you can—

An hon. MEMBER: Commit it.

Mr. STAFFORD: —that you know what murder is. I guess I picked the wrong section of the code. But the role of the CBC is covered by statute: we have a White Paper on it and we are always going to learn what the role is and yet we never find out. All I want to know is if you have any idea what it should be?

Mr. ALLARD: Mr. Chairman, I would not for moment like to leave the impression of being either unco-operative here or not without ideas as individuals. I think I should emphasize the nature of Mr. Pouliot's difficulty which I fully and completely share. We were invited to appear before this Committee, and, glad indeed to appear before this Committee, as representatives of the Canadian Association of Broadcasters. This is a voluntary group of stations, privately and individually owned in numerous communities across Canda. As an Association our policy is established by resolutions at the annual meeting. We are bound by the policy. We are able to tell the Committee what our membership collectively thinks under the terms of such resolutions and at no annual meeting has a resolution been passed which suggests what the purpose and function of the CBC might be. If in the Committee's wisdom, at any future time it wished to speak with any of us purely as individuals and it was made quite clear that we were in no way speaking on behalf of or for the Canadian Association of Broadcasters, an entirely different result presumably might accrue. But I am sure, Mr. Chairman, that Mr. Stafford will understand the circumstances which circumscribe our present appearance.

Mr. STAFFORD: But I was asking you as an ordinary citizen whether you could give us some idea what that role should be since you are so well acquainted with TV and your answers tell us that you know what you are speaking about.

Mr. BERGER: Mr. Chairman, my feeling is that private stations are in a kind of funny position because sometimes they compete with the CBC and some other times they do not. For instance, the private stations down the lower north shore of the St. Lawrence have to compete with the CBC on one program and then the next program they need help from the CBC to keep on. It is pretty hard to ask these gentlemen to try to separate this because they are both competitors and being helped by the CBC sometimes. So I do not blame them for being so reluctant to give their ideas. I do not think we should ask them how to run it. Ask CBC people how to run private enterprise and they will give you the same answer. They will say: That is our baby, now take care of yours. From what I have seen and what I read in your brief, I figure that you said exactly what you had to about the CBC when you asked for special help or a special grant which would be a far better help to private enterprise than it is now. I guess it is your duty to protect your members and I fully agree with your stand on this point. I was just trying to clear that up. We will find some other ways, I believe individually, talking with any one of you or quite a few other owners privately, who will tell us then, but on their own behalf. But speaking for the whole group I do not blame you for being reluctant with this committee. This is my private idea as an ex-employee of a private station. I just wanted to clear that up a bit.

Mr. POULIOT: I just find it impossible, Mr. Chairman, to sit here today and simply forget my association with the CAB and start talking as a private individual.

Mr. PRITTIE: I think that has been made clear, Mr. Chairman. They should not be pressed on the point if they do not want to be.

The CHAIRMAN: Mr. Stafford, are you satisfied?

Mr. STAFFORD: Well it seems to me that ever since I have been on this Committee we have always tried to figure out what the role of CBC is, or should be, and we are no further ahead now.

Mr. JAMIESON: I suggest a few in camera meetings where we might put some of our own thoughts to work on it for a change.

Mr. STAFFORD: No, but if these gentlemen before us have no thoughts on it I think that any in camera meeting with members of parliament, as I have seen what they know about television, would not add too much to it.

Mr. PRITTIE: Speak for yourself.

Mr. STAFFORD: I speak for a lot. That is all.

Mr. BRAND: I just have a couple of questions. Mr. Stafford got into one of the fields I wanted to get into and we will save a little time here. May I ask one question which I think is apropos and valid. Do you agree that CAB members should have to accept CBC programs as part of the Condition of licensing?

Mr. POULIOT: If you are going to have a national service and you are not going to have CBC stations all over the place you will have to use the private stations in certain areas. If it is the only station it will have to be an affiliate and accept programs if you want a national service.

Mr. BRAND: All right, second to that, how then can the CAB not comment on the CBC as such when in fact you agree at this time that you must accept it as part of a national service. They are intertwined so how can you not comment on it?

Mr. POULIOT: Well, as a CBC affiliate we have to accept—this is only part of our CAB membership. We have independents; we have stations which are affiliated to the CBC and some affiliated to CTV—that if you want a national service some private stations which are alone in an area will have to be CBC affiliates and carry the programs.

Mr. BRAND: That does not answer the question.

Mr. POULIOT: That does not necessarily mean the CBC affiliate which is granted a licence, one condition of which is that he will be a CBC affiliate, has to define the role of the CBC or even know it.

Mr. BRAND: But you must accept the programs whether you like them or not.

Mr. POULIOT: I was a CBC affiliate when we opened and I was asked; Will you accept so many hours of CBC programming a week? I said yes.

Mr. BRAND: Did you not say yes because you would not have got a licence without it?

Mr. POULIOT: I would not have had a licence without it.

Mr. BRAND: That is what I mean. Now, do you like this idea. This is what I am getting at. Do you like this idea that you must accept the programs whether you like them or not?

Mr. POULIOT: Well I accepted the licence. I took the licence with the condition that I be a CBC affiliate at that time.

Mr. COWAN: You took the tail with the hide.

Mr. BRAND: That still does not answer the question.

Mr. POULIOT: I did not know at the time what the mandate of the CBC was. I did not know very much about the corporation, how it operates and what kind of programming I would get.

Mr. BRAND: Well let me change the question. Do you like this type of regulation which forces you to take programs which the public which listens to your station may or may not like?

Mr. POULIOT: My station today is not a CBC affiliate and I am very happy about it.

Mr. BRAND: I am looking at the CAB viewpoint on this, not your private capacity.

Mr. POULIOT: The CAB agrees that there should be a national service and the CBC, I think, would have to agree that until such time as the CBC can give, or if the CBC is told to give, the service on its own stations there will have to be affiliated private stations which will have to carry CBC programs. It is the same as the American stations which carry NBC or CBS.

Mr. BRAND: Since I cannot get a straight answer to that perhaps I can change the question again. Would you prefer to have the CBC affiliates choose the type of program that they would get from the CBC rather than be told which type of programs they must accept.

Mr. POULIOT: I believe some CBC affiliates would certainly like a more flexible affiliation agreement—

Mr. BRAND: Thank you, that is the answer I wanted.

Mr. POULIOT:—such as the American stations have with their network and they get out of certain shows. I am certain the affiliates would prefer something like this.

Mr. BRAND: Yes, that is the answer I wanted to get. Do you agree with Page 15 of the White Paper? There the mandate of the CBC is laid out in great detail?

Mr. POULIOT: What page?

Mr. BRAND: Page 15 of the White Paper.

Mr. ALLARD: This is one of the things that makes this whole discussion so difficult. I respect Mr. Brand's view that paragraph 13 of the White Paper represents a mandate for the Canadian Broadcasting Corporation, and with great respect I am unable to persuade myself to accept that view.

Mr. BRAND: Thank you very much; that is the best answer we have had.

Mr. ALLARD: I frankly do not see the wording in paragraph 13 as a clearcut statement which in practice can mean or does mean anything.

Mr. BRAND: One last question which has nothing to do with the CBC, you will be glad to know, but has reference to this interchangeable talent you were speaking of a while ago and and the attempts to put French Canadian talent on English language stations and things of that nature, a very laudable purpose, but

are there not regulations which limit the amount, say on your French language affiliates, of English that may be used on these stations? Are there not regulations controlling this?

Mr. POULIOT: I believe there is a regulation which limits the amount of foreign language broadcasting. The licence is issued for one language or the other. You have a licence to operate in French, but I do not believe that it, as part of a program, you have an artist singing in a different language, this would be considered programming in French for instance, or in English, if we did it in Quebec.

Mr. BRAND: Well, you have nine French language stations outside the province of Quebec and I do understand from speaking with several of these that by regulation they are only allowed a very limited amount of English on those stations?

Mr. ALLARD: It is not, Mr. Chairman, by regulation; it is the terms and conditions of the licence. I may say that this whole question illustrates again how difficult, complex and involved the field of broadcasting is. In relation to stations, other than the French language stations outside Quebec, it is a matter of argument whether the station could or could not broadcast 24 hours a day in either language. You will find people who take the view that the licence of CHUM in Toronto, as an example, enables it to broadcast only, or very largely at least, in the English language. There are other equally skilled interpreters and observers who take the view that it is entitled to broadcast either in English or French as it chooses and the matter has never been resolved in a court of law. In fact, virtually all of the difficulties of interpreting the statutes, the regulations, the conditions of licence and related matters in broadcasting, have never been interpreted in law. This is one of the many reasons for the tremendous complexity of this business. Moreover, a condition of licence or regulation or even a statute can, in this business, be obsolent before it is passed, so rapid is the pace of change in the business and not only at the technical level.

Mr. POULIOT: I know of one case in Quebec city where an English-language station tried to broadcast in French, or to be bilingual, and was turned down by the BBG. I also believe that according to law or regulations they could go up to 20 per cent in any foreign language. This seems a bit strange but apparently it is—

Mr. BRAND: Well, this would militate to a degree against the idea that you have of exchanging programs between the different stations.

Mr. ALLARD: To a degree it causes a certain vague fear at times. We are, in fact, getting our stations in western Canada, Ontario and the Atlantic area, interested in carrying what I consider a very encouraging amount of material submitted to us by the French language stations and most of them are glad to have it. But in some instances where the station is a fairly large company and has competent legal advicce the station is told quite bluntly that its legal advisers do not know and cannot know whether this course of action would jeopardize the licence. They are unwilling to take the case to court for a matter of this kind. The expense involved does not seem commensurate with the situation. In cases like this the station however willing is in the position where it simply does not know.

Mr. BRAND: Then you would feel there is a great need for setting up some sort of fluid board to judge this type of regulation from time to time as changes occur and to satisfy these matters of law?

Mr. ALLARD: Mr. Chairman, in our brief we have pleaded as best we can for maximum flexibility in any legislation or regulation surrounding broadcasting.

Mr. BRAND: If there was a board which you could go to immediately without going through all the great red tape of the normal bureaucracy it would improve the situation as far as the stations are concerned?

Mr. ALLARD: Mr. Chairman, this would clearly improve the situation and my personal view is—if I may take the luxury of speaking personally for just this split second—I think that many of the problems in broadcasting will never be resolved until this business is surrounded by a body of jurisprudence comparable to that existing in other businesses and which we do not have.

Mr. BRAND: That is exactly the answer I wanted. Thank you very much.

Mr. STAFFORD: Do you mean something similar to the common law where precedent follows precedent, rather than setting down hard and fast rules?

Mr. ALLARD: Yes, sir.

The CHAIRMAN: Mr. Allard, I think we have come so tantalizingly close to answering the basic question which Mr. Stafford and Mr. Brand put to the witnesses that I would hate to leave this meeting without trying to pin it down a little more. You went so far as to venture the opinion that paragraph 13 of the White Paper does not set out a mandate for the CBC. Surely, then, if you do not feel competent to give an opinion about what the mandate should be could you give us an opinion about what subject matter should be covered in such a statement which is not covered in paragraph 13.

Mr. ALLARD: Mr. Chairman, I think, and again I emphasize this is purely a personal opinion, that parliament through this Committee must ask itself what are we trying to do. It is asking itself in this context what are we trying to do through the mechanics of an organization called the Canadian Broadcasting Corporation. What purpose are we trying to achieve here? Then, having answered that question, surely the terms of the mandate—the paragraphs necessary —will simply fall automatically into place.

The CHAIRMAN: Not without advice from experts in the field, I would suggest. Do you suggest that certain mechanics should be set out in the mandate of the corporation which are not set out in paragraph 13.

Mr. ALLARD: Mr. Chairman, the number of phrases to be used might indeed be a great deal smaller. Of course, other people will have different views. At least one member of the Committee has come to a different view. But if I were placed in the position where I was asked to do something about paragraph 13 of the White Paper I would find myself in the position where I could do very little. Yet I admire the prose and I compliment the authors of the paragraph on their excellent, almost exquisite, choice of English. But, it does not tell me what I am to do.

The CHAIRMAN: If you are not willing to advise us what we should do, can you advise us on what subject matter at least should be covered in this mandate?

Mr. ALLARD: Yes, sir. I think the subject matter is an answer to the question: What is it in terms of end results that we expect from the existence of a body known as the Canadian Broadcasting Corporation?

The CHAIRMAN: The only specific criticism of this paragraph you can make is that it does not answer that adequately, it is too vague.

Mr. ALLARD: Yes, sir.

The CHAIRMAN: You cannot be specific in suggesting how it should be changed.

Mr. PRITTIE: There is a great stress on specifics here. Wait until the BBC man comes. They have even less to operate on and they have done so well for forty years.

The CHAIRMAN: I am only interested in whether you think it should be more specific, more general, or whether you have any specific suggestion to make about what it should be if you are not satisfied with what it is.

Mr. ALLARD: Mr. Chairman, the nature of the problem is that I do not think anyone has clearly been told as yet—certainly not to my knowledge—how parliament itself would answer the simple question: What are the end results that we hope to achieve from an organization to be known as the Canadian Broadcasting Corporation. Now, given an answer to that question I think that almost any reasonably intelligent person could set forward the necessary mechanics.

Mr. COWAN: Mr. Chairman, I do not see how CAB can be expected to give us any suggestions for improving the CBC when in paragraph 13—in the use of those English words so beautifully chosen as Mr. Allard says, by the author—we have the statement that the CBC:

> —has fulfilled its prime responsibility to provide broadcasting services to the Canadian people as a whole in a manner that is altogether praiseworthy.

If the CBC is operating now in a manner that is altogether praiseworthy how can the CAB be expected to improve on the operation of the CBC in view of the fact that this is a White Paper issued under the authority of Judy LaMarsh?

The CHAIRMAN: My suggestion is not that they suggest how to improve the CBC but rather how to improve paragraph 13; how to express the mandate which they say is inadequate. I think that Mr. Allard has certainly tried to answer to the best of his capability.

Mr. STAFFORD: Mr. Chairman, I have a couple of supplementary questions. Is it not correct, Mr. Allard, that the objectives set out in that paragraph 13 would be the objectives of the CAB or CTV or anyone; that is, to provide a complete and balanced service of information and enlightenment and entertainment for people of different ages and personal taste including a high content of regional,

national and international news; factual and interpretative reports and programs devoted to all aspects of the arts, light entertainment and sports. Do you not have similar objectives?

Mr. PRITTIE: They have to think of the money that they have to make, too, and I do not blame them for it.

Mr. STAFFORD: I have a question on something that Mr. Pouliot mentioned and further to Dr. Brand's question: Did you not mention that stations can put on up to 20 per cent of any language.

Mr. POULIOT: I believe that presently the regulations allow up to 20 per cent. I am not sure of this.

Mr. STAFFORD: You know CKLM in Montreal, do you not?

Mr. POULIOT: Fifteen hours weekly of foreign language programming.

Mr. STAFFORD: CKLM in Montreal is a French station, is it not?

Mr. ALLARD: Is not CKLM a multilingual station?

Mr. STAFFORD: Is it not a condition of their licence that the station cannot broadcast any English?

Mr. POULIOT: It could be and I believe there is an English station in Quebec that I know of—

Mr. STAFFORD: I just want to take this one station. Is it not a condition of the licence of that station—CKLM—that they cannot broadcast any English?

Mr. POULIOT: It could be.

Mr. STAFFORD: Would it be a violation of the licence if even by mistake they played an English song?

Mr. POULIOT: I think it could still be a French program with an English song in it. This would remain a French program.

Mr. STAFFORD: In other words, if they played an English song—I just want to get your idea on this—you feel there is nothing wrong in this? There is no violation of the licence?

Mr. POULIOT: I would not think so. This would be my interpretation. If I had an English song on my station I do not consider it an English-language program.

Mr. STAFFORD: Do you agree with that, Mr. Allard?

Mr. ALLARD: Yes, sir.

Mr. STAFFORD: That is all. Thank you.

Mr. JAMIESON: Mr. Chairman, before this Committee dispenses with the CAB I would like to get on the record a clarification with regard to extension of service. It has been said basically that the ideal is a full private and a full public service. Does this mean that the association—never mind what any of its part time members might feel—generally supports the idea that wherever there now exists a private station the alternative service should be provided through the public service. Is this basic to this presentation.

Mr. POULIOT: I think our view can be expressed as we did in this brief to the parliamentary committee.

—if a true alternative service is to be provided, and one which permits optimum access to corporation service by all Canadians, it must be by way of communities served by one privately owned station and by one station of the Canadian Broadcasting Corporation, carrying the full service of the latter.

The problem here is the timing of the extension of service. We do not think that this should be done partly too fast. There are many areas where they can only support one station and it is presently a CBC affiliate. Obviously the coming of a CBC station, whether a full station or a repeater, could jeopardize the situation of the existing affiliate, and put it in a position where it simply could not operate. This is an eventual goal and we believe the timing should be predicated upon the marketability.

Mr. JAMIESON: But taking that into account, then, and assuming that conditions are right in a given area for a two station set-up, it is the CAB's official view that that second station should be either private or public depending upon which one is there.

Mr. POULIOT: That is correct.

The CHAIRMAN: Thank you very much, Mr. Pouliot, Mr. Allard, Mr. Ritchie, Mr. Moore, Mr. Crittenden and Mr. Peters who has, I guess, gone home, for giving us the benefit of your advice. I believe that the full submission of the Canadian Association of Broadcasters should be appended to our minutes. It has been referred to many times but was not presented in full during our meetings. Is it agreed that the text of the submission, without the membership lists at the back, be appended to our minutes.

Some hon. MEMBERS: Agreed.

Mr. PRITTIE: Did you say without the membership list? For the record I think it is important for anybody reading it to know who belongs to the CAB.

The CHAIRMAN: Is it your wish that full submission, including membership lists at the back, be appended to the minutes?

Some hon. MEMBERS: Agreed.

Mr. POULIOT: I would like to thank you, Mr. Chairman, and members of the Committee for this opportunity to appear before you. It has been most helpful to us. We really appreciate it.

The CHAIRMAN: Thank you.

APPENDIX "13"

Submission

to the

HOUSE OF COMMONS COMMITTEE

on

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

RE: THE "WHITE PAPER ON BROADCASTING 1966"

(by the Canadian Association of Broadcasters)

JANUARY, 1967.

A. GENERAL

It does not, we feel, require complete agreement with each of its recommendations to conclude that the "White Paper on Broadcasting 1966" represents the most thoughtful and objective public statement on broadcasting so far produced.

On page 7, the White Paper says: "Much of the controversy about public control of broadcasting seems to arise from a failure to distinguish clearly between two quite separate elements—the physical structure of the system and the actual programs broadcast—which can and should be differently treated."

And on page 19: "There is no area of human endeavour that is more affected by the present pace of technological change than the means by which people communicate with each other through electronic devices. The Canadian system must be adaptable to change. It must have a ready capacity to adjust to new forces so that it may contribute powerfully in the future as it has in the past to the essential goal of Canadian unity."

In these phrases, we believe, the "White Paper" succinctly recognizes the key areas of difficulty.

Detailed comment on various recommendations of the "White Paper" follows. (Where reference numbers are used, these are taken from the "White Paper".)

Page 5, Section I, paragraph 1.

In this the White Paper poses this question: "How can the people of Canada retain a degree of collective control over the new techniques of electronic communication that will be sufficient to preserve and strengthen the political, social and economic fabric of Canada, which remains the most important objective of public policy?"

In large part we feel that the White Paper's own recommendations will effectively accomplish this objective.

However, the area of greatest difficulty is referred to by the White Paper itself immediately preceding the quotation above. It says: "...There is no insulation from these new forces, no iron curtains of the mind to permit a comfortably slow pace of adjustment to new forces. The era of the communications satellites is upon us, still further complicating the processes of adaptation which the essential goal of Canadian unity will demand."

Domestic legislation, regulations, statements of objectives are no longer sufficient. There is an immediate and present need for international agreement.

Precedent exists for this. The "North American Regional Broadcasting Agreement", together with various other international agreements in the New World, governs here the physical allocation and use of various electronic facilities.

The world wide International Telecommunications Union (C.C.I.R.) could form the nucleus for necessary further international agreements and understandings.

Page 8, Section II, paragraph 4.

Here the White Paper recommends continuation of the Board of Broadcast Governors, with a slightly modified structure and more clearly defined powers.

This is the kind of impartial agency of regulation The Canadian Association of Broadcasters has publicly advocated since 1949. We still agree that it is the most practical and effective system for achieving objectives of public policy sought by the White Paper.

We recognize that this agency would be primarily—(though not exclusively)—concerned with the private sector. We see the exercise of its authority relative to the Corporation in areas where the interests of the latter are competitive with those of the public, or of the "private sector". This would involve such matters as the Corporation's observance of regulations dealings with commercial content, applications for new or changed broadcasting facilities* and arbitration in instances where the Corporation and any one of its privately owned affiliates cannot agree upon the terms and conditions of network affiliation.

*To accomplish this, it will probably be necessary to modify the Radio Act Subsection (2) of Section 2 of the Radio Act should be changed to read:

> "Notwithstanding anything in the Interpretation Act or any other Statute or law, the provisions of this Act shall be deemed to apply and to have full force and effect according to their terms in the case of all radio stations and private receiving stations or radio apparatus owned or operated by or on behalf of Her Majesty *in the right of Canada,* or in the right of any province, but nothing herein contained is intended to impose or to declare the imposition of any tax upon or to make, render, or declare liable to taxation, any property belonging to Her Majesty *in the right of Canada or* of any province."

The White Paper recommends that the Board of Broadcast Governors will have "full power to issue broadcasting licences" subject only to two conditions. It also recommends provision for formal appeals to governor-in-council, against decisions of the Board in exercise of this power.

This is a matter of utmost importance and complexity.

There are at least two important schools of thought concerning it. One holds that a matter as important as issue of a broadcast licence should remain in the hands of the people's elected representatives. This argues in favour of the present system.

Another school of thought prefers to see issue of licences removed insofar as practicable from what is called the sphere of political influence. Adoption of this

philosophy would argue in favour of the first part of the White Paper's recommendation.

Yet, if appeals can be taken to governor-in-council, we are right back into the area of concern to this school of thought. We think it likely that any dissatisfied applicant would utilize this avenue of appeal.

Yet, it seems highly desirable to have appeal procedures. Is it possible, therefore, that the White Paper's recommendation falls between the two stools? If this be the case, there is probably merit in considering either: (a) Retention of the present system, or (b) BBG authority to issue broadcasting licences subject to the two conditions mentioned but with power of appeal on questions of both fact and law to some body such as the Exchequer Court of Canada.

It is suggested that retention of the present system would prevent implementation of the conditions of licence recommendations put forward on page 11 and 12 of the White Paper. Possibly this objection could be overcome by issue of two licences. One of these, technical in nature, would be issued by the Department of Transport as at present; the other by the Board of Broadcast Governors itself, or by governor-in-council upon recommendation of the Board.

The White Paper recommends that the Board of Broadcast Governors undertake "in collaboration with the Canadian Broadcasting Corporation" objective research into all matters bearing upon broadcasting in Canada.

We think this a desirable ojbective. Would it, however, be possible to include the private broadcasting industry, preferably through its Canadian Association of Broadcasters, in the recommendation?

The White Paper recommends a change in the BBG's structure. It seems to us that all experience to date argues strongly in favour of that suggestion.

Broadcasting is a rapidly changing, enormously complex business. This merits attention of a full-time Board which could meet more frequently; be more quickly assembled in emergency. There must be reason for the existence of this type of Board in the fields of rail and air transportation.

It has been suggested that the part-time members of the present Board represent the "citizen" interest, the voice of the public. We feel that the voice of the public is adequately represented through the observation and supervision of a sovereign parliament; by the Board's full-time members and part-time advisers, and by the frequent appearance before the BBG of voluntary associations, citizen groups and individuals.

Moreover, the White Paper suggests that the BBG consider the feasibility and desirability of setting up regional broadcasting councils to advise upon representations made by the general public with regard to programming. No doubt the BBG would recommend favourably upon this proposal if, in the light of experience, it felt the arrangement proposed for its own structure is inadequate in this respect.

Pages 9 and 10, Section II, paragraph 5.

We feel these White Paper recommendations are practical and sensible.

However inimical it may be to our collective interests, and is to those of some of our individual members, it must be admitted that if a true alternative service is to be provided, and one which permits optimum access to Corporation

service by all Canadians, it must be by way of communities served by one privately owned station and by one station of the Canadian Broadcasting Corporation, carrying the full service of the latter.

Pages 10, 11 and 12, Section II, paragraph 7.

"Programming" brings us to the area where opinions are most frequent, most strongly held, most often expressed.

In the end, programming is determined by all Canadians, those individuals who taken together make up various publics and the public generally.

No way has yet been found to compel individuals to select only specific programs. We hope it never will.

No way has been found to prevent individuals from turning to the increasingly wide range of alternatives available to them. These run all the way from United States signals (and in the foreseeable future signals relayed by satellites from other countries) to newspapers, magazines, books, movies, recordings, travel and indoor and outdoor sports.

Any programming policy will fail if it is not acceptable to some reasonably sizeable segment of the public. In this instance the individuals making up that public have a free and unfettered choice.

Parliament may want certain things from programming, or the broadcasters may, or any other group, but those things will not follow unless the programming attracts audience.

This is why any policies relative to the programming field should, in the light of our experience, be extremely flexible and very broad and general.

To further confuse this situation, we are into an area of highly subjective judgment and one which includes a number of loosely used or ill-defined phrases.

On page 11 the White Paper itself uses in one paragraph the phrases "high brow programs", "light entertainment", and "high quality".

Each of these phrases is difficult to define. Moreover, the definition will probably vary from one informed person to another. Such definition is usually a reflection of purely personal taste. A program that appears to some as being of "high quality", will appear to others as the reverse. What appears to some as "light entertainment" appears to others as basically informative.

Another polarized phrase is "Canadian talent of all kinds".

We share the view that broadcasting in Canada should "contribute powerfully in the future as it has in the past to the essential goal of Canadian unity."

To do that it must first of all have the necessary means. It must then provide programming which at least a large number of Canadians, operating in an atmosphere of wide and free choice, are prepared to accept.

As to means, it may be well to review briefly these facts:

1. All privately owned broadcasting stations are required to pay all normal business taxes, including of course the corporation income tax where applicable.

2. In addition, broadcasting stations are required to pay what is called a transmitter licence fee. Briefly the appropriate regulation pro-

vides that if gross revenue is $200,000 or less, this fee is 1 per cent of gross revenue and if gross revenue exceeds that figure, the fee is $2,000 plus 1½ per cent of the gross revenue in excess of $200,000. The best estimate we can make indicates that in 1965 privately owned broadcasting stations paid a total transmitter licence fee or not less than $1,726,000 in addition to all other normal business taxes. It should be noted that these fees are based on gross revenue and must be paid whether or not the station makes a profit.

3. Regulations prohibit stations from selling more than approximately 25 per cent of their product, (20 per cent in television), and from accepting certain kinds of business at all.

4. Rapid technological advances dictate that many stations must make heavy capital commitments much more frequently than is the case in other businesses and receive no special depreciation consideration for this.

We are not, in this presentation, complaining of these circumstances. We are suggesting they must be taken into account when consideration is given to other public policy objectives that require additional expenditures from private broadcasting stations.

As to definitions, it is obvious that the word "talent" when applied to broadcasting is one of the most loosely used words in the language. Almost no one who uses it bothers to define it.

Too often it is used to mean freelance "on-air" personnel (musicians, singers, dancers and like performers) not receiving a wage or salary in the normal course of events from a broadcasting station, even though they may have full time employment elsewhere.

We believe it more accurate to include in the word "talent" those in receipt of a wage or salary from the station, also such people as announcers, directors, producers, artists, writers, designers and air personalities, whether salaried or freelance.

The existence of broadcasting stations also makes necessary the employment by advertising agencies, production houses and others, of the services of writers, producers, directors and performers.

Some stations have programs produced outside their own facilities by separate production houses. These give opportunity for additional numbers of Canadians to make their talents available to the public.

We feel all these factors should be carefully assessed when conditions of licence are being considered. If this be done, we cannot now foresee too much difficulty with such an arrangement.

Page 12, Section II, paragraph 8.

This paragraph deals with several areas of ownership. First of these is non-Canadian ownership. The White Paper comments that this problem exists "particularly in the (field of) community antenna television systems."

Insofar as broadcasting stations are concerned, we believe that existing legislation provides adequate safeguards. We are not aware of any widespread degree of non-Canadian ownership now; existing legislation prohibits any extension of it.

The second situation referred to is common ownership of broadcasting and other forms of communication interests.

The third area is that of so-called "multiple ownership".

The White Paper suggests that government be authorized by Parliament to give guidance to the Board of Broadcast Governors in these matters to prevent situations "not in the public interest".

The public interest is of course paramount. May we suggest that guidance given the Board of Broadcast Governors be along the lines of recommending that in each case of a new or renewed licence, the Board assess the station on the basis of its record. This seems to us the most useful and practical safeguard.

Page 12, Section II, paragraph 9.

In a recent brief to the Board of Broadcast Governors concerning so-called "educational" or more properly "instructional" television, The Canadian Association of Broadcasters said this:

"The Canadian Association of Broadcasters starts from the position that both instruction and education are of fundamental and vital importance to Canada's present and future."

"We believe that both instruction and education should be assisted by every technological means that can be usefully employed, and by the accumulated experience and knowledge of every professional, business and other 'interest' community in Canada."

Instructional television is a complex matter. It involves the Federal jurisdiction in broadcasting; Provincial jurisdiction in education.

We feel the White Paper recommendation offers the most practical method of clearly recognizing both of these and of reconciling them in practice for best results.

Page 13, Section II, paragraph 10.

The position of The Canadian Association of Broadcasters is set forward in a policy resolution passed by its 1960 Annual Meeting which reads:

> BE IT RESOLVED THAT THE C.A.B. reaffirm its belief that the broadcasting industry should be governed by the general rule of law and not by specific discretionary regulation but
>
> BE IT FURTHER RESOLVED THAT to the extent such specific discretionary regulation applies in fact to the broadcasting industry the Association adopts the view it should equally apply to all communications devices whose end product is the same or closely parallel to that of broadcasting."

On November 6, 1966, the Board of Directors of this Association reviewed the subject in detail. It saw no reason to recommend to any future Annual Meeting that the matter be reconsidered.

Page 14, Section II, paragraph 11.

Many decisions in life are complicated by the fact there is not a clear-cut choice between an apparently right and an apparently wrong course of action, but between several courses of potentially right action, any one of which may later turn out to be wrong.

We are in a situation of this kind when dealing with penalties and appeal procedures.

Obviously the Board of Broadcast Governors, to be effective, must possess some punitive power.

In many cases it is desirable that the Board should have some disciplinary power short of "capital punishment", that is the suspension or revocation of licence.

At the same time, we find ourselves wondering about the advisability of placing any one group of people—no matter how wise or well intentioned—in a position where it writes the regulations, enforces them, decides when they have been breached and then on its own initiative levies and collects fines,—especially when the same body also issues licences, attaches conditions to these, and may suspend or revoke them, with no appeal to any other body save on questions of law.

Taken together, these add up to very powerful authority indeed, especially in a field as sensitive and potentially controversial as communications.

In most cases the body or individual who lays the complaint must have its merit adjudicated by another body or individual; both complainant and defendant putting their respective cases to a neutral and disinterested party.

The problem might be resolved by permitting appeal on questions of fact as well as law. Such safeguards may be even more important in the field of communications than in other areas.

Both penalties and appeal procedures are provided for in Sections 15 and 18 of the present Broadcasting Act. Section 15 does not vary substantially from similar provisions existing in previous statutes.

It may be that these represent sufficient safeguards; and we are not aware of any serious complaints concerning their lack of effectiveness.

Section III.

We do feel it important, as the White Paper suggests, that Parliament define the Corporation's "mandate" as clearly as possible and indicate what it expects the CBC to be and do.

Within this context, we find ourselves in agreement, insofar as our experience goes, with the recommendations made in Section III, paragraphs 12, 13, 14 and 15, pages 15 and 16 of the White Paper.

To us, at least, the final sub-paragraph of paragraph 16 of Section III is somewhat ambiguous.

This suggests that the Corporation should "seek to retain but not to increase its present 25 per cent share of the television advertising market and 4 per cent share of the corresponding radio market."

But the phrase "share of market" is net defined. It could mean any one of many things.

Perhaps the difficulty could be resolved by a process under which Parliament determines that for each year of the next five the Corporation will receive a certain sum of money from Parliament and may then supplement that income by an amount equivalent to a certain percentage of it, derived from its commer-

cial activities. No doubt there are other solutions but we think resolution of the ambiguity important.

There is one other point of natural concern to private broadcasters. However rapidly an orderly extension of television service takes place, the Corporation in some areas must use the facilities of privately owned stations for distribution of its service.

It is imperative, therefore, that the economic viability of these be maintained. This would suggest a possibility of the Corporation seeking its required reductions in the areas of national selective and local television commercial activities, rather than its network activities.

Alternatively or additionally, the Corporation might pay such affiliates a fixed yearly sum of money in return for carrying specified Corporation programs.

B. POLITICAL BROADCASTING

Section 17 of the existing Broadcasting Act reads as follows:

"(1) No licensee shall

(a) broadcast in dramatized form any program, advertisement or announcement of a partisan political character, or

(b) broadcast a program, advertisement or announcement of a partisan political character on any day that an election is held for the election of a member of the House of Commons, the legislature of a province or the council of a municipal corporation, or on the two days immediately preceding any such day.

(2) A licensee shall immediately preceding and immediately after broadcasting a program, advertisement or announcement of a partisan political character, identify the sponsor and the political party, if any, upon whose behalf the program, advertisement or announcement was broadcast.

Paragraph (1) (b) of this Section is strengthened by existence of a similar provision in the Canada Elections Act.

Although the White Paper does not comment on this section, may we express the hope the Committee will give consideration to it in its recommendations to Parliament?

Paragraph (1) (b) of this section is literally unenforceable and unworkable, no matter how it is interpreted.

As written, it results in this situation: If in Prince George, British Columbia, there is being held a municipal election, no broadcasting station in Canada may on that day or 48 hours preceding it, broadcast "a program, advertisement or announcement of a partisan political character". All stations in Canada are similarly bound whenever an election is being held in any one province. All stations in Canada are similarly bound if a Federal by-election is being held in any one constituency.

Now, although that is what the Act says, it has not in recent years been enforced in that fashion. Surely, if a statute clearly cannot be enforced at all, there is reason for modification.

But, no matter how broad or generous the interpretation, practical difficulties still result.

Radio broadcasting stations located in places such as Hamilton, St. Catharines and Oshawa can be, and are, heard in Toronto. Given a municipal election in Toronto, should these stations refrain on that day and for the 48 hours preceding from carrying any partisan political material?

Situations of this kind are often complicated by the fact that municipalities hold elections in the same week or within a two week period but not on the same day. If the section be applied in such instances, some stations would be forced to prohibit partisan political references to their local election for as much as a week or ten days preceding it.

A station located in one city and whose signal is heard in a nearby city of equal or larger size, is usually surrounded by a number of smaller cities, towns, villages or townships. It has frequently happened that a station has going within its coverage area five or six municipal elections within one month or less. In situations of this kind Section 17 of the Broadcasting Act becomes either completely impossible to enforce, or makes the station totally ineffective in provision of information to the electorate.

We could multiply these situations almost indefinitely because they are complicated by the fact that broadcasting signals often cross provincial boundaries. We believe we have given enough examples to lend weight to our suggestions that the Committee consider recommending deletion from the Broadcasting Act and the Canada Elections Act of the so-called 48 hour ban.

Paragraph (2) of Section 17 of the Act brings up difficulty insofar only as announcements (not programs) are concerned.

We suggest this might be modified to read:

> "A licensee shall immediately preceding and immediately after broadcasting a *program* of a partisan political character and immediately preceding *or* following the broadcast of an advertisement *or* announcement of a partisan political character, identify the sponsor and the political party or candidate, if any, upon whose behalf the program, advertisement or announcement was broadcast."

Paragraph (1) of Section 17 gives us more difficulty. We think this was originally intended to prevent the kind of situation known as "role playing"; the broadcast appearance of actors purporting to be public figures. Prohibition of this kind of thing is clearly in the public interest.

However, as it stands, the paragraph is considerably wider than this. We believe it prevents utilization of some of the best techniques of radio and television in the presentation of political information.

Insofar as television is concerned, the impact of the paragraph has been slightly modified by interpretation.

May we suggest that for both radio and television, the statute be modified so that it clearly achieves these ends:

On the one hand, "role playing" is clearly prohibited.

But, on the other, stations, parties and candidates are free to present political information in the most interesting and attention getting manner.

C. PROPOSED NEW LEGISLATION

Page 6 of the White Paper closes with the sentence: "The government accordingly proposes to introduce new legislation on the general lines set out herein".

We hope we have made it clear we believe such a move desirable, and that the best interests of Canada would be well served by adopting in the main the basic philosophy outlined by the White Paper.

We would recommend that the new legislation contain a preamble reading:

"PREAMBLE TO CANADIAN BROADCASTING ACT 196—"

"The purpose of this Act is to create an impartial body of regulation for broadcasting in Canada; to recognize that:

(a) Broadcasting is a useful, often vital, service to Canadians;

(b) It is desirable to encourage its orderly but full development;

(c) It is useful, often vital, in linking together the various parts of Canada portraying the regions of Canada and Canadians to each other in both languages of this country and reflecting both cultures of it;

(d) Its provision of news, comment, opinion and information makes it an integral part of the press and the information agencies of Canada.

"The impartial agency of control shall do everything possible within its powers to resist any attempts to regiment opinion or to abuse freedom of speech, to encourage forthright discussion of all controversial questions and equal and fair presentation of all main points of view.

"It is recognized that broadcasting is a changing and evolving art and no fixed or permanent criteria can be set down for the best method of presenting controversial material. Hence nothing in this Act shall be understood or construed to give the Board of Broadcast Governors created by it the power of censorship over the radio communication or signals transmitted by any radio station and no regulation or condition shall be promulgated or fixed by the Board which shall interfere with the right of free speech by means of radio communication or limit or designate program content".

THE CANADIAN ASSOCIATION OF BROADCASTERS
L'ASSOCIATION CANADIENNE DES RADIODIFFUSEURS
MEMBERSHIP LIST

Atlantic Area (27)

CKDH	Amherst, N.S.	J. A. Manning
CKBC	Bathurst, N.B.	J. Leo Hachey
CKBW	Bridgewater, N.S.	John F. Hirtle
CKNB	Campbellton, N.B.	Paul Ahier
CFCY	Charlottetown, P.E.I.	R. F. Large
CFDR	Dartmouth, N.S.	C. J. Flemming
CFNB	Fredericton, N.B.	D. Malcolm Neill
CJOX	Grand Bank, Nfld.	D. Jamieson
CJCN	Grand Falls, Nfld.	D. Jamieson
CKCM	Grand Falls, Nfld.	J. V. Butler, W. Williamson
CHNS	Halifax, N.S.	Fred W. Arenburg
CJCH	Halifax, N.S.	Fred Sherratt
CKEN	Kentville, N.S.	W. A. Bishop
CHCM	Marystown, Nfld.	J. V. Butler, W. Williamson
CKAD	Middleton, N.S.	W. A. Bishop
CKCW	Moncton, N.B.	F. A. Lynds
CKMR	Newcastle, N.B.	R. J. Wallace
CKEC	New Glasgow, N.S.	D. B. Freeman
CFBC	Saint John, N.B.	Robert Lockhart
CHSJ	Saint John, N.B.	G. Cromwell
CJON	St. John's, Nfld.	D. Jamieson, G. Stirling
VOCM	St. John's, Nfld.	J. V. Butler, W. Williamson
CJRW	Summerside, P.E.I.	R. C. Schurman
CHER	Sydney, N.S.	R. David Neima
CJCB	Sydney, N.S.	N. L. Nathanson
CKCL	Truro, N.S.	J. A. Manning
CFAB	Windsor, N.S.	W. A. Bishop

French Language—All Provinces (41)

CFGT	Alma, P.Q.	F. Fortin
CHAD	Amos, P.Q.	D. A. Gourd
CJMT	Chicoutimi, P.Q.	Pierre Tremblay
CFML	Cornwall, Ont.	B. Bertrand
CHRD	Drummondville, P.Q.	J. A. Savoie
CHFA	Edmonton, Alta.	B. J. Gagnon
CJEM	Edmundston, N.B.	Georges A. LeBel
CHEF	Granby, P.Q.	J. Henri Champagne
CFRG & CFGR	Gravelbourg, Sask.	Dumont Lepage
CKCH	Hull, P.Q.	J. P. Lemire
CJLM	Joliette, P.Q.	Maurice Boulianne
CKRS	Jonquiere, P.Q.	T. Burham
CKLS	LaSarre, P.Q.	D. A. Gourd
CKBL	Matane, P.Q.	René Lapointe
CKBM	Montmagny, P.Q.	André Mercier
CJMS	Montreal, P.Q.	Raymond Crepault
CKAC	Montreal, P.Q.	Roy Malouin
CKLM	Montreal, P.Q.	Roger Baulu
CHNC	New Carlisle, P.Q.	Dr. Charles Houd

CHRC	Quebec, P.Q.	Henri Lepage, A. Pelletier
CKCV	Quebec, P.Q.	Magella Alain
CJLR	Quebec, P.Q.	J. LaRoche
CJBR	Rimouski, P.Q. and	J. Brillant, André Lecomte
CJBM	Causapscal, P.Q.	J. Brillant
CHRL	Roberval, P.Q.	Benoit Lévesque
CKRN	Rouyn, P.Q.	D. A. Gourd
CFNS	Saskatoon, Sask.	Raymond J. Marcotte
CKCN	Sept-Îles, P.Q.	B. Roberge
CHLT	Sherbrooke, P.Q.	J. L. Gauthier
CJSO	Sorel, P.Q.	Maurice Boulianne
CKSB	St. Boniface, Man.	Roland Couture
CKJL	St. Jérôme, P.Q.	Jean Lalonde
CJSA	Ste-Agathe-des-Monts, P.Q.	Jean M. Legault
CFBR	Sudbury, Ont.	F. B. Ricard, R. Reil
CKLD	Thetford Mines, P.Q.	François Labbé
CHLN	Trois Rivières, P.Q.	M. Dansereau
CFCL	Timmins, Ont.	C. Lavigne
CKVD	Val d'Or, P.Q.	D. A. Gourd
CKVL	Verdun, P.Q.	J. Tietolman
CFDA	Victoriaville, P.Q.	Lucien Michaud
CKVM	Ville Marie, P.Q.	René Legault

Central Canada (66)

CKBB	Barrie, Ont.	R. T. Snelgrove, R. Hunter
CJBQ	Belleville, Ont.	F. Murray
CHIC	Brampton, Ont.	Leslie Allen
CFJR	Brockville, Ont.	J. A. Radford
CFCO	Chatham, Ont.	D. Hildebrand
CJSS	Cornwall, Ont.	Paul Emard
CKDR	Dryden, Ont.	Peter Lawrence
CJLX	Fort William, Ont.	R. P. MacGowan
CFTJ	Galt, Ont.	J. V. Evans
CJOY	Guelph, Ont.	W. O. Slatter
CHML	Hamilton, Ont.	T. E. Darling
CKOC	Hamilton, Ont.	Don Dawson
CKAR	Huntsville, Ont. and	Garth Thomas
CKAR-1	Parry Sound, Ont.	Garth Thomas
CKAP	Kapuskasing, Ont.	F. G. Heathcote
CJRL	Kenora, Ont.	Peter Lawrence
CKLC	Kingston, Ont.	T. D. French
CKWS	Kingston, Ont.	Roy Hofstetter
CJKL	Kirkland Lake, Ont.	W. King
CHYM	Kitchener, Ont.	
CKKW	Kitchener, Ont.	W. D. McGregor
CJSP	Leamington, Ont.	John C. Garton
CFPL	London, Ont.	M. T. Brown, Ward Cornell
CJOE	London, Ont.	Joe MacManus
CKSL	London, Ont.	J. A. Funston
CKMP	Midland, Ont.	Bruce Armstrong
CFCF	Montreal, P.Q.	S. B. Hayward, Ken Dobson
CFMB	Montreal, P.Q.	C. Stanczykowski
CJAD	Montreal, P.Q.	H. T. McCurdy
CJRN	Niagara Falls, Ont.	J. E. O'Brien

CFCH	North Bay, Ont.	R. Carne
CHWO	Oakville, Ont.	H. C. Caine
CFOR	Orillia, Ont.	
CKLB	Oshawa, Ont.	G. Garrison
CFRA	Ottawa, Ont.	T. Kielty
CKOY	Ottawa, Ont.	John Daly
CFOS	Owen Sound, Ont.	W. N. Hawkins
CHEX	Peterborough, Ont.	W. Rewegan
CKPT	Peterborough, Ont.	Al Bestall
CFOX	Pointe Claire, P.Q.	G. Sinclair, K. Dancey
CFPA	Port Arthur, Ont.	Ralph H. Parker
CKPR	Port Arthur, Ont.	Fraser Dougall
CFOM	Quebec, P.Q.	Mrs. Mary Bush
CFGM	Richmond Hill, Ont.	John Graham
CHOK	Sarnia, Ont.	K. E. Monk, A. O'Hagan
CJIC	Sault Ste. Marie, Ont.	E. Vance
CKCY	Sault Ste. Marie, Ont.	C. P. Greco
CFRS	Simcoe, Ont.	T. M. Fielder
CHSC	St. Catharines, Ont.	R. E. Redmond
CKTB	St. Catharines, Ont.	Miss Mary C. Burgoyne
CHLO	St. Thomas, Ont.	J. L. Moore
CJCS	Stratford, Ont.	S. E. Tapley
CHNO	Sudbury, Ont.	F. B. Ricard
CKSO	Sudbury, Ont.	Ralph Connor
CKOT	Tillsonburg, Ont.	John Lamers
CKGB	Timmins, Ont.	G. Hall
CFRB	Toronto, Ont.	W. C. T. Cran, Don Hartford
CHFI	Toronto, Ont.	E. S. Rogers
CHIN	Toronto, Ont.	W. A. Lindsey
CHUM	Toronto, Ont.	A. F. Waters
CKEY	Toronto, Ont.	D. C. Trowell
CJWA	Wawa, Ont.	R. H. Ramsay
CHOW	Welland, Ont.	D. A. Manning
CKLW	Windsor, Ont.	S. C. Ritchie
CKNX	Wingham, Ont.	G. W. Cruickshank
CKOX	Woodstock, Ont.	Monty J. Werry

Prairies (41)

CFAM	Altona, Man.	W. E. Kroeker, E. Hildebrand
CKX	Brandon, Man.	J. B. Craig
CFAC	Calgary, Alta.	Dave Penn
CFCN	Calgary, Alta.	Jim Love
CHQR	Calgary, Alta.	Ted Soskin
CKXL	Calgary, Alta.	J. M. Pryor, Jr.
CFCW	Camrose, Alta.	H. Yerxa
CKDM	Dauphin, Man.	Hugh Dunlop
CJDV	Drumheller, Alta.	Tony Mayer
CFRN	Edmonton, Alta.	G. R. A. Rice
CHED	Edmonton, Alta.	M. M. Forbes
CHQT	Edmonton, Alta.	Lew Roskin
CJCA	Edmonton, Alta.	J. Dalt Elton
CJSL	Estevan, Sask.	Tom G. Laing
CFAR	Flin Flon, Man.	Karl Edmands
CFGP	Grande Prairie, Alta.	Cameron Perry

CJOC	Lethbridge, Alta.	John McColl
CHEC	Lethbridge, Alta.	H. W. Brown
CKSA	Lloydminster, Sask.—Alta.	A. F. Shortell
CHAT	Medicine Hat, Alta.	Orville Kope
CJVR	Melfort, Sask.	Earl Kidder
CHAB	Moose Jaw, Sask.	Jack Moffat
CJNB	North Battleford, Sask.	H. Dekker
CKYL	Peace River, Alta.	J. Skelly
CKBI	Prince Albert, Sask.	E. A. Rawlinson
CKRD	Red Deer, Alta.	G. E. Spackman, H. L. Flock
CKCK	Regina, Sask.	Jim Struthers
CKRM	Regina, Sask.	Jim Miller
CJME	Regina, Sask.	J. Ellis, Roy M. Malone
CKKR	Rosetown, Sask.	Stan Solberg
CFQC	Saskatoon, Sask.	V. Dallin
CKOM	Saskatoon, Sask.	R. A. Hosie, W. H. Stovin
CHSM	Steinbach, Man.	Elmer Hildebrand
CKSW	Swift Current, Sask.	D. W. Scott
CHTM	Thompson, Man.	J. G. Cane
CFSL	Weyburn, Sask.	Tom G. Laing
CFRW	Winnipeg, Man.	J. O. Blick
CJOB	Winnipeg, Man.	Rory MacLennan
CKRC	Winnipeg, Man.	Jim Grisenthwaite
CKY	Winnipeg, Man.	R. Moffat
CJGX	Yorkton, Sask.	George Gallagher

Pacific (30)

CFVR	Abbotsford, B.C.	M. Maclachlan
CHWK	Chilliwack, B.C.	M. Maclachlan
CFCP	Courtenay, B.C.	W. G. Browne
CFWB	Campbell River, B.C.	W. G. Browne
CKEK	Cranbrook, B.C.	L. J. Hoole
CKAY	Duncan, B.C.	P. W. de S. Duke
CKNL	Fort St. John, B.C.	M. A. Stevenson
CFJC	Kamloops, B.C.	Ian Clark
CKOV	Kelowna, B.C.	J. H. B. Browne
CKTK	Kitimat, B.C.	J. Fred Weber
CHUB	Nanaimo, B.C.	Bob Giles
CKNW	New Westminster, B.C.	William Hughes
CKOK	Penticton, B.C.	M. P. Finnerty
CKPG	Prince George, B.C.	R. T. Harkins
CHTK	Prince Rupert, B.C.	J. Fred Weber
CJAV	Port Alberni, B.C.	K. Hutcheson
CHQB	Powell River, B.C.	Robert L. Cartmell
CKCQ	Quesnel, B.C.	Dennis Reid
CKCR	Revelstoke, B.C.	R. J. Hall
CKXR	Salmon Arm, B.C.	R. J. Hall
CFBV	Smithers, B.C.	R. A. East
CFTK	Terrace, B.C.	J. Fred Weber
CJAT	Trail, B.C.	J. P. Kobluk
CJOR	Vancouver, B.C.	J. Donaldson
CKLG	Vancouver, B.C.	D. M. E. Hamilton
CKWX	Vancouver, B.C.	W. A. Speers
CJIB	Vernon, B.C.	A. G. Seabrook

CJVI	Victoria, B.C.	Ken Goddard
CKDA	Victoria, B.C.	D. M. Armstrong
CKWL	Williams Lake, B.C.	Dennis Reid

RADIO BROADCASTING MEMBERS (FM)

Atlantic Area (5)

CHNS-FM	Halifax, N.S.	Fred W. Arenburg
CKWM-FM	Kentville, N.S.	W. A. Bishop
CFBC-FM	St. John, N.B.	Robert Lockhart
CJCB-FM	Sydney, N.S.	N. L. Nathanson
CKCL-FM	Truro, N.S.	J. A. Manning

French Language (6)

CJMS-FM	Montreal, P.Q.	R. Crepault
CJRM-FM	Montreal, P.Q.	Guy Corbeil
CHRC-FM	Quebec, P.Q.	A. Pelletier
CJBR-FM	Rimouski, P.Q.	J. Brillant, André Lecomte
CHLT-FM	Sherbrooke, P.Q.	J. L. Gauthier
CKVL-FM	Verdun, P.Q.	J. Tietolman

Central Canada (24)

CJBQ-FM	Belleville, Ont.	F. Murray
CHIC-FM	Brampton, Ont.	Leslie Allen
CJSS-FM	Cornwall, Ont.	Paul Emard
CHML-FM	Hamilton, Ont.	T. E. Darling
CKLC-FM	Kingston, Ont.	T. D. French
CKWS-FM	Kingston, Ont.	Roy Hofstetter
CHYM-FM	Kitchener, Ont.	
CFPL-FM	London, Ont.	M. T. Brown, Ward Cornell
CFQR-FM	Montreal, P.Q.	S. B. Hayward
CJFM-FM	Montreal, P.Q.	H. T. McCurdy
CKQS-FM	Oshawa, Ont.	G. Garrison
CFMO-FM	Ottawa, Ont.	T. Kielty
CKPR-FM	Port Arthur, Ont.	Fraser Dougall
CJIC-FM	Sault Ste. Marie, Ont.	E. Vance
CKCY-FM	Sault Ste. Marie, Ont.	C. P. Greco
CHSC-FM	St. Catharines, Ont.	R. E. Redmond
CKTB-FM	St. Catharines, Ont.	Miss Mary C. Burgoyne
CKSO-FM	Sudbury, Ont.	Ralph Connor
CKOT-FM	Tillsonburg, Ont.	John Lamers
CKGB-FM	Timmins, Ont.	G. Hall
CKFM-FM	Toronto, Ont.	W. C. T. Cran, D. Hartford
CHFI-FM	Toronto, Ont.	E. S. Rogers
CHUM-FM	Toronto, Ont.	A. F. Waters
CKLW-FM	Windsor, Ont.	S. C. Ritchie

Prairies (10)

CKX-FM	Brandon, Man.	J. B. Craig
CJCA-FM	Edmonton, Alta.	J. Dalt Elton
CFRN-FM	Edmonton, Alta.	G. R. A. Rice
CHEC-FM	Lethbridge, Alta.	H. W. Brown
CKRD-FM	Red Deer, Alta.	G. E. Spackman
CFMQ-FM	Regina, Sask.	William Stewart
CFMC-FM	Saskatoon, Sask.	D. J. G. MacKenzie

CJOB-FM	Winnipeg, Man.	R. MacLennan
CFRW-FM	Winnipeg, Man.	J. O. Blick
CKY-FM	Winnipeg, Man.	R. Moffat
Pacific (5)		
CFFM-FM	Kamloops, B.C.	Ian Clark
CJOV-FM	Kelowna, B.C.	J. H. B. Browne
CKOK-FM	Penticton, B.C.	M. P. Finnerty
CKLG-FM	Vancouver, B.C.	D. M. E. Hamilton
CFMS-FM	Victoria, B.C.	D. M. Armstrong

TELEVISION BROADCASTING STATIONS

ATLANTIC (7)		
CFCY-TV	Charlottetown, P.E.I. (CFCY-TV-1, New Glasgow, N.S.)	R. F. Large
CJCH-TV	Halifax, N.S. (CJCH-TV-1, Canning, N.S.) (CJCH-TV-2, Bayview, N.S.) CJCH-TV-3, Amherst, N.S.	F. MacDonald
CKCW-TV	Moncton, N.B. (CKAM-TV, Upsalquitch Lake, N.B.) (CKAM-TV-1, Newcastle, N.B.) CKCD-TV, Campbellton, N.B.) CFGW-TV-1, Gaspé West, P.Q.) CFGW-TV-2, Mont Blanc Perce, P.Q.) (CKMU-TV-1, Murdockville, P.Q.)	F. A. Lynds, Hubert Button
CHSJ-TV	Saint John, N.B. (CHSJ-TV-1, Bon Accord, N.B.)	G. A. Cromwell
CJON-TV	St. John's, Nfld. (CJON-TV-1, Cornerbrook, Nfld.) (CJON-TV-2, Bonavista, Nfld.) (CJOX-TV, Argentia, Nfld.) (CJOX-TV-1, Grand Bank, Nfld.)	D. Jamieson
CJCN-TV	Grand Falls, Nfld.	D. Jamieson
CJCB-TV	Sydney, N.S. (CJCB-TV-1, Inverness, N.S.) (CJCB-TV-2, Antigonish, N.S.)	J. M. Nathanson
FRENCH LANGUAGE (9)		
CJPM-TV	Chicoutimi, P.Q.	Paul J. Audette
CKRS-TV	Jonquière, P.Q. (CKRS-TV-1, Port Alfred, P.Q.) (CKRS-TV-2, Chicoutimi, P.Q.) (CKRS-TV-3, Roberval, P.Q.)	T. Burham

CKBL-TV	Matane, P.Q. (CKBL-TV-1, Mont Climont, P.Q.) (CKBL-TV-2, Murdockville, P.Q.) (CKBL-TV-3, Grande Vallée, P.Q.) (CKHQ-TV-1, Manicouagan, P.Q.)	René Lapointe
CFTM-TV	Montreal, P.Q.	Paul L'Anglais, Roland Giguere
CFCM-TV	Quebec, P.Q.	Jean A. Pouliot
CKRT-TV	Rivière du Loup, P.Q. (CKRT-TV-1, Baie St. Paul, P.Q.) (CKRT-TV-2, Ste. Rose du Dégélé, P.Q.) CKRT-TV-3, Rivière du Loup, P.Q.)	Luc Simard
CKRN-TV	Rouyn, P.Q. (CKRN-TV-1, Senneterre, P.Q.) (CKRN-TV-2, Val d'Or, P.Q.) (CKRN-TV-3, Ville Marie, P.Q.) (CKRN-TV-4, Matagami, P.Q.)	D. A. Gourd
CHLT-TV	Sherbrooke, P.Q.	J. L. Gauthier
CKTM-TV	Trois Rivières, P.Q.	Henri Audet
CENTRAL CANADA (19)		
CKVR-TV	Barrie, Ont. (CKVR-TV-1, Parry Sound, Ont.) (CKVR-TV-2, Huntsville, Ont.) (CKVR-TV-3, Haliburton, Ont.)	R. T. Snelgrove
CHCH-TV	Hamilton, Ont.	R. W. Hofstetter
CKWS-TV	Kingston, Ont.	E. E. Fitzgibbons, Toronto
CKCO-TV	Kitchener, Ont.	W. D. McGregor, Kitchener
CFPL-TV	London, Ont.	M. T. Brown, R. A. Reinhart
CFCF-TV	Montreal, P.Q.	S. B. Hayward, D. Martz
CFCH-TV	North Bay, Ont. (CJTK-TV-1, Temiscaming, P.Q.)	R. Carne
CJOH-TV	Ottawa, Ont. (CJSS-TV, Cornwall, Ont.)	E. Bushnell, S. Griffiths
CHOV-TV	Pembroke, Ont.	E. G. Archibald
CHEX-TV	Peterborough, Ont. (CHEX-TV-1, Bancroft, Ont.)	W. Rewegan
CKPR-TV	Port Arthur, Ont.	Fraser Dougall, G. N. Conger, G. D. Jeffrey
CKMI-TV	Quebec, P.Q.	J. A. Pouliot
CKRN-TV	Rouyn, P.Q. (CKRN-TV-1, Senneterre, P.Q.) (CKRN-TV-2, Val d'Or, P.Q.) (CKRN-TV-3, Ville Marie, P.Q.) (CKRN-TV-4, Matagami, P.Q.)	D. A. Gourd

CJIC-TV	Sault Ste. Marie, Ont.	R. Ramsay, E. G. Vance
CKSO-TV	Sudbury, Ont. (CKSO-TV-1, Elliott Lake, Ont.)	Ralph Connor
CFCL-TV	Timmins, Ont. (CFCL-TV-2, Kearns, Ont.) (CFCL-TV-3, Kapuskasing, Ont.) (CFCL-TV-4, Hearst, Ont. (CFCL-TV-5, Malartic, Ont.)	René Barrette
CFTO-TV	Toronto, Ont.	John Bassett
CKLW-TV	Windsor, Ont.	S. C. Ritchie
CKNX-TV	Wingham, Ont.	G. W. Cruickshank
PRAIRIES (15)		
CKX-TV	Brandon, Man. (CKX-TV-1, Foxwarren, Man.) (CKX-TV-2, Melita, Man.)	J. B. Craig
CFCN-TV	Calgary, Alta. (CFCN-TV-1, Drumheller, Alta.) (CFCN-TV-2, Banff, Alta.) (CFCN-TV-3, Brooks, Alta.) (CFWL-TV-1, Invermere, B.C.)	J. A. Love
CHCT-TV	Calgary, Alta. (CHCT-TV-1, Drumheller, Alta.) (CHCT-TV-2, Banff, Alta.)	F. R. Shaw, J. N. Inkster
CFRN-TV	Edmonton, Alta. (CFRN-TV-1, Carrot Creek, Alta.) (CFRN-TV-2, Edson, Alta.) (CFRN-TV-3, Whitecourt, Alta.) (CFRN-TV-4, Ashmont, Alta.)	G. R. A. Rice
CJLH-TV	Lethbridge, Alta. (CJLH-TV-3, Burmis, Alta.) (CJWP-TV-1, Waterton Park, Alta.) (CKVS-TV-1, Moyie, B.C.)	N. Botterill
CKSA-TV	Lloydminster, Sask.-Alta. (CKSA-TV-1, Meadow Lake, Sask.)	A. F. Shortell
CHAT-TV	Medicine Hat, Alta. (CHAT-TV-1, Pivot, Alta.)	Orville Kope
CHAB-TV	Moose Jaw, Sask. (CHRE-TV, Regina, Sask.)	J. Moffat, S. Boyling
CKBI-TV	Prince Albert, Sask. (CKBI-TV-1, Alticane, Sask.) (CKBI-TV-2, North Battleford, Sask.) (CKBI-TV-3, Greenwater Lake, Sask.) (CKBI-TV-4, Nipawin, Sask.)	E. A. Rawlinson
CKRD-TV	Red Deer, Alta. (CKRD-TV-1, Coronation, Alta.) (CKRD-TV-2, Banff, Alta.)	Henry L. Flock

CKCK-TV	Regina, Sask. (CKCK-TV-1, Colgate, Sask.) (CKCK-TV-2, Willow Bunch, Sask.) (CKMJ-TV, Marquis, Sask.)	Don Tunnicliffe
CFQC-TV	Saskatoon, Sask. (CFQC-TV-1, Stranraer, Sask.)	B. Nelson
CJFB-TV	Swift Current, Sask. (CJFB-TV-1, Eastend, Sask.) (CJFB-TV-2, Val Marie, Sask.) (CJFB-TV-3, Riverhurst, Sask.)	W. D. Forst
CJAY-TV	Winnipeg, Man.	J. M. Davidson
CKOS-TV	Yorkton, Sask. (CKSS-TV, Baldy Mountain, Man.) (CKOS-TV-2, Carlyle Lake, Sask.) (CKOS-TV-3, Wynyard, Sask.)	R. L. Skinner
PACIFIC (6)		
CFCR-TV	Kamloops, B.C. (CFCR-TV-1, Lillooet, B.C.) (CFCR-TV-2, Ashcroft, B.C.) (CFCR-TV-3, Merritt, B.C.) (CFCR-TV-4, Clinton, B.C.) (CFCR-TV-5, Williams Lake, B.C.) (CFCR-TV-6, Mount Timothy, B.C.) (CFCR-TV-7, Savona, B.C.) (CFCR-TV-8, Adams Hill, B.C.) (CFCR-TV-9, Boston Bar, B.C.) (CFCR-TV-10, Clearwater, B.C.) (CFCR-TV-11, Quesnel, B.C.) (CFCR-TV-12, Promontory Mountain, B.C.) (CFCR-TV-14, Canoe Mountain, B.C.) (CFCR-TV-15, Bralorne, B.C.)	Ian G. Clark
CHBC-TV	Kelowna (CHBC-TV-1, Penticton, B.C.) (CHBC-TV-2, Vernon, B.C.) (CHBC-TV-3, Oliver, B.C.) (CHBC-TV-4, Salmon Arm, B.C.) (CHBC-TV-5, Enderby, B.C.) (CHBC-TV-6, Celista, B.C.) (CHBC-TV-7, Skaha Lake, B.C.) (CHBC-TV-8, Canoe, B.C.) (CFWS-TV-1, Falkland, B.C.) (CFWS-TV-2, Westwold, B.C.) (CHPP-TV-1, Mabel Lake, B.C.) (CHPT-TV-1, Peachland, B.C.)	R. G. Chapman

	(CHKC-TV-1, Keremeos, B.C.)	
	(CHKC-TV-2, Olalla, B.C.)	
	(CHKC-TV-3, Cawstan, B.C.)	
	(CHID-TV-1, Lumby, B.C.)	
	(CHGP-TV-1, Princeton, B.C.)	
	(CFEN-TV-1, Enderby, B.C.	
	(CJNP-TV-1, Nakusp, B.C.)	
	(CFFI-TV-1, Malakwa, B.C.)	
	(CJWR-TV-1, Cherryville, B.C.)	
	(CKMY-TV-1, Midway, B.C.)	
CFTK-TV	Terrace, B.C.	J. Fred Weber
	(CFTK-TV-1, Prince Rupert, B.C.)	
	(CFTK-TV-2, Smithers, B.C.)	
	(CFTK-TV-3, Burns Lake, B.C.)	
	(CFTK-TV-4, Kildala, B.C.)	
	(CFTK-TV-5, Kemano, B.C.)	
	(CFTK-TV-6, Nass Camp, B.C.)	
	(CFTK-TV-7, Juskatla, B.C.)	
CKPG-TV	Prince George, B.C.	R. T. Harkins
	(CKPG-TV-1, Hixon, B.C.)	
	(CKPG-TV-3, Fort Fraser, B.C.)	
	(CKCQ-TV-1, Quesnel, B.C.)	
CHAN-TV	Vancouver, B.C.	J. R. Peters
	(CHAN-TV-1, Chilliwack, B.C.)	
CHEK-TV	Victoria, B.C.	J. R. Peters
	(CHAR-TV-1, Squamish, B.C.)	
	(CFKB-TV-1, Newcastle, Ridge, B.C.)	
	(CFKB-TV-2, Kokish, B.C.)	
	(CFKB-TV-3, Port Hardy, B.C.)	
	(CFKB-TV-4, Sointula, B.C.)	
	(CKPA-TV-1, Port Alice, B.C.)	
	(CFNV-TV-1, Beavercove, B.C.)	
	(CFNV-TV-2, Nimpkish, B.C.)	

NETWORK MEMBER

CTV Television Network Limited

Mr. G. Keeble, 42 Charles St. East, Toronto, Ont.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 35

TUESDAY, JANUARY 17, 1967

WHITE PAPER ON BROADCASTING (1966).

WITNESSES:

From the Canadian Broadcasting League: Messrs. David Kirk; A. F. Laidlaw; A. Andras; Paul Rousseau; E. Dandenault; and Mrs. H. M. Ellard.

ROGER DUHAMEL, F.R.S.C.
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25494—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Johnston,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	Mr. Mather,	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, January 17, 1967.
(53)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Robert Stanbury presided.

Members present: Messrs. Béchard, Berger, Fairweather, Jamieson, Johnston, MacDonald (*Prince*), Munro, Nugent, Pelletier, Prittie, Richard, Simard, Sherman, Stafford, Stanbury—(15).

In attendance: From the Canadian Broadcasting League: Mr. Dave Kirk, Canadian Federation of Agriculture; Mr. Paul Rousseau, Association of Radio & Television Employees & General Workers (ARTEC); Mrs. H. M. Ellard, Federated Women's Institutes of Canada; Dr. A. F. Laidlaw, Co-operative Union of Canada; Mr. A. Andras, Canadian Labour Congress; Mr. Egide Dandenault, Federated Authors & Artists Association; Mr. Larry Sheffe, United Automobile Workers (UAW); Mrs. Roy Cuzner, Consumer's Association of Canada; Mr. Jack Mollins, Canadian Brotherhood of Railway Transport & General Workers; Mr. S. A. Kronick, Canadian Jewish Congress; Mr. John Ward, Association of Radio & Television Employees & General Workers (ARTEC).

The Committee resumed consideration of the White Paper on Broadcasting (1966).

The Chairman called Mr. Kirk, who, in turn introduced his delegation.

Agreed: That the brief of the Canadian Broadcasting League be taken as read and included in this day's evidence.

Mr. Kirk was examined on his brief, assisted by Messrs. Laidlaw, Rousseau, Dandenault, Andras and Mrs. Ellard.

The examination of the witnesses being concluded at 1.05 p.m., the Committee adjourned until 9.30 a.m. on Thursday, January 19, 1967.

M. Slack,
Clerk of the Committee.

25494—1½

EVIDENCE

(*Recorded by Electronic Apparatus*)

TUESDAY, January 17, 1967.

The CHAIRMAN: Gentlemen, we have with us this morning representatives of the Canadian Broadcasting League. Mr. Dave Kirk will introduce his colleagues and then present the brief.

Mr. DAVE KIRK (*Canadian Federation of Agriculture*): Thank you very much, Mr. Chairman. The Canadian Broadcasting League is made up of organizations and individual members; all those here today represent, through their organization, large numbers of people.

I am the representative of the Canadian Federation of Agriculture. Mr. Paul Rousseau is the representative of the Association of Radio and Television Employees of Canada. Mrs. H. M. Ellard is the representative of the Federated Women's Institutes of Canada and Vice-President of the League. Mr. Alec Laidlaw, is the representative of the Cooperative Union of Canada and is the Secretary-Treasurer of the League; Mr. A. Andras is a representative of the Canadian Labour Congress and executive member of the League; Mr. E. Dandenault, the representative of the Federated Authors and Artists Association; Mrs. Roy Cuzner represents the Consumers' Association of Canada; Mr. John Ward also represents the Association of Radio and Television Employees; Mr. L. Sheffe represents the United Automobile Workers of America and Mr. Jack Mollins represents the Canadian Brotherhood of Railway Transport & General Workers; and Mr. Kronick represents the Canadian Jewish Congress. That is our delegation.

Mr. Chairman, with these and other organizations members of the League, we believe that we represent an important sector of opinion in this country.

Will I go ahead and read the brief now?

The CHAIRMAN: Please do.

Mr. PRITTIE: Mr. Chairman, is it necessary for Mr. Kirk to read the brief? It was distributed to us earlier.

The CHAIRMAN: Has every one had an opportunity to read the brief?

Mr. PRITTIE: If so, we could proceed with the questioning. However, if Mr. Kirk wants to make additional comments he could.

The CHAIRMAN: Do you want to add anything to your brief, Mr. Kirk, or touch on its highlights? It appears that the members of the committee have read the text of the brief.

Mr. KIRK: That is all right, Mr. Chairman, if you take the brief as read.

Mr. CHAIRMAN: Is it agreed then that the brief be taken as read and included in the record of this committee.

Some hon. MEMBERS: Agreed.

Mr. KIRK: The brief reads as follows:

The Canadian Broadcasting League, a national organization composed of both corporate groups and individuals with a deep interest in broadcasting in Canada, presents this brief to the Special Committee on Broadcasting on behalf of its members. A list of the corporate members is attached.

The League's policies have been made known previously to your committee and might best be summarized by stating that the League seeks to represent the consumers' interest in broadcasting in Canada.

In general terms the League wishes to state its approval of, and indeed its enthusiasm for, the White Paper on Broadcasting, to the content of which our remarks on this occasion will be directed.

If we read the Paper rightly, its intent is that a generous, and challenging mandate and responsibility be given to the broadcasting system in Canada, in all its parts, to serve Canada with devotion, with imagination and with continuing drive toward excellence—and with rigorous adherence to the principle of independence from political control or supervision in program content. This is what the Canadian Broadcasting League wants, and there is no doubt whatever in our minds that after all has been said, it is what the people of Canada want. We would also like to express our enthusiastic support for the principle, stated in the White Paper, that in the Canadian broadcasting system, embracing public and private elements, the place of the public element should predominate in policy areas where choice between the two is involved.

In this submission, which we will keep as brief as possible, we will try to focus on a number of points that seem to us to be of very great importance, and on which the outcome is perhaps in some doubt. In doing so we will inevitably fail to deal adequately with many of the excellent and wise statements of intent which are expressed in the White Paper.

The Role of the Board of Broadcast Governors and its Relations to the CBC and Private Stations

If we understand the intent of the White Paper correctly in these connections, then we altogether support it. But we do wish to enlarge on this matter so as to make our position very clear, and so as to touch upon one or two matters that are not, we think, adequately spelled out in the White Paper. First of all, we support the concept of a single system, that is a system in which the proposed Board of Broadcast Governors would have a basic and overall responsibility for the adequate structure and functioning of the system in the public interest. The Board of Broadcast Governors must, therefore, be outgoing in its approach. It must inform the public, it must accept the responsibility of leadership, and it must make judgments. It must assess the overall operation of the system, tell the people of this country in some detail what its assessment is, and how it was arrived at. It must interest itself in the financial adequacy of the provisions made by Parliament for funds for the CBC. It must have the right and responsibility of exploring and proposing, all in clear public view, new initiatives in policy where it thinks these are necessary. Its rights and responsibilities in these connections should be made quite explicit in the legislation.

In order to do these things the Board must make subjective judgments, and cannot narrowly confine itself to "objective" and legalistic criteria as it has had a tendency to do in the past.

In its comments on the White Paper, the Canadian Broadcasting Corporation has raised some serious questions about the relationship between it and the Board of Broadcast Governors. It has judged the single system concept to be unworkable under present day conditions. If we understand it rightly, the CBC has said that on its reading of the White Paper too much jurisdiction over the programming policy operations of the CBC is to be given to the Board of Broadcast Governors. This is a difficult matter. If one should accept the principle of having two boards—one for the CBC and one for the BBG—then it is quite clear that it would be unworkable to have both engaged in detailed review and decision-making on CBC operations and programming. The Canadian Broadcasting League has never been convinced that two boards are necessary, and has always supported the single board system. However, if this is not to be, we nevertheless think that the Board of Broadcast Governors must interest itself, and make judgements upon, the adequacy of the performance of the CBC. It seems to us that the White Paper is reasonably clear on this point. It seems to us that what it says is, that the Board of Broadcast Governors should not only establish minimum requirements as to Canadian content, advertising time and so on, to which the CBC must adhere (to this the CBC has no objection) but must also regard the CBC as a licensee which must perform up to adequate standards in the public interest. In other words, the performance of the CBC would be subject to review and assessment by the Board of Broadcast Governors.

Admitting the difficulties in this area, it is our view that this solution is workable and desirable. We do not think the whole policy for broadcasting in Canada will work well unless the Board of Broadcast Governors has a real responsibility for the performance of all parts of the system in terms not only of technical regulation, but of quality. In practice, the objectives of the Board and the CBC should not, in fact, be sharply different, and we think it is in the interests of the CBC that it have access to the support, encouragement and advice of the Board of Broadcast Governors. Here the principle already referred to, of the primacy of the public sector, comes very much into play. This principle should, if at all possible, be expressed in legislative terms. This, in our view, does not mean and should not mean that the Board of Broadcast Governors would have, or should accept, the role of review or decision-making on operational programming questions which are the responsibility of the CBC before these decisions are made or while they are being made.

An important aspect of this kind of relationship would be that the Board of Broadcast Governors would have a responsibility to assess the adequacy of the provisions for public funds made for the CBC. It could often, we are sure, lend important and valuable support to the CBC to ensure that provision of funds was adequate. As we will note later, it is our view that the provision of public funds is presently inadequate, and that the policy enunciated in the White Paper will make the situation worse.

Financing of the CBC and Commercial Policy

We are very glad indeed that the White Paper clearly states the intent of the government to introduce legislation in which statutory provision will be made for funds for the CBC. As to the amount, we in this case very strongly support the position of the CBC that at the present time it is excessively dependent upon revenue from commercial sources. The Canadian Broadcasting League feels that there should be a heavy bias in public policy in favour of non-commercial, unsponsored programming by the CBC. If we understand the situation rightly, the recommendation in the White Paper that the percentage share of the Corporation in the television advertising market should be stabilized at 25% (for television) this will likely, if applied, actually result in an increasing dependence on commercial revenue by the CBC. This would be all the more true if the CBC did not retain its present proportion of television outlets. In any case, we definitely dislike this mathematical formula, and strongly recommend that such generous provision be made for public funds, as may be necessary to significantly reduce the dependence of the CBC on commercial revenues.

This is a matter of very great importance. To the extent that the CBC is forced to depend upon commercial revenues for its programming, it will be forced to take excessive account of the desires and preferences of advertisers, to follow rather than lead in programming, and to adhere to the inadequate criteria of ratings. In our view in this, and in many spheres of broadcasting, real independence for the CBC cannot be maintained if the programs are sponsored.

We would also note that it is the firmly held opinion of the Canadian Broadcasting League that commercials in themselves are not good broadcasting, and that they injure the programs of which they become a part. There should be minimal intrusion of commercials into the program content. On these grounds alone there is a very strong case for limiting the extent of their appearance in the public network service.

We would recommend very strongly with regard to CBC radio, that utilization of commercial revenue be abandoned altogether. There are not very large amounts of money involved, and it would seem to make good sense to simplify and improve the whole position by putting CBC radio on a purely non-commercial basis.

In recent years many Canadians have invested in FM receivers to escape the constant barrage of commercial intrusions, only to find that even this segment of the media is becoming more and more a copy of its AM counterpart. We urge the government to take the strongest possible measures to assure that FM broadcasting shall not succumb to the erosive forces of commercialism.

The Structure of the System

The first point we want to make is to very strongly support the recommendation of the CBC (it has been a feature of League policy for some time) that wherever at any point there is more than one television station, one of those stations should be a CBC station. By this we mean a CBC owned station, not an affiliate. This, in our view, is only simple, sensible public policy. A CBC affiliate simply does not, and cannot, carry the whole of the CBC national service. The full service should be available to the maximum number of Canadians. This is a

matter of basic policy decision, and not a matter of having, location by location, applications for licenses in which the CBC and private interest make competing representations. The principle of following this latter procedure has always been an unsound one.

The second point we wanted to make related to structure is that in our view it is very important that in future the Board of Broadcast Governors should effectively require compliance by stations with the performance standards laid down for it by the Board, and with the undertakings they have given to the Board in applying for granting or renewal of licenses. There should be means provided in the legislation to enable the Board to discipline licensees and to refuse renewal of licenses, in an orderly way. We support the concept that the Board should set performance requirements that are tailored to the size, location and economic capabilities of the station concerned.

The policies laid down by the White Paper on the questions of ownership of Canadian facilities, and regulation and control of community antenna television systems, are supported by the League.

It will be recalled by Committee Members that on the question of ownership and control of the second (private) television network, the Fowler Commission made two basic points. One was that the private network should not be owned by the stations which it serves, the concept being that the network should be a separate entity that could take initiatives, and be responsible for the performance of the network, independently from a direct obligation to its affiliated stations. Since this recommendation was made the CTV network has been acquired by its affiliates, in direct opposition to the recommendation of the Fowler Commission. It was a recommendation that struck us as being a sound and constructive one. The policy of the League over the years has been that in fact there should be no networks in Canada that were not publicly owned and operated, either by the CBC or by a separate public authority. In Britain the facility of the second network, and the conditions under which it operates, are under direct public control by a public authority set up for the purpose.

It would appear that the League's recommendation that the second network should be publicly owned and operated is not being found acceptable, and while we have in no way changed our view we are not going to labour this point. However we would like to point out that the second basic recommendation of the Fowler Commission with respect to the second network was that in the legislation there should be stand-by authority for ownership and control of the network to be placed under a form of trusteeship, the trustees being a combination of private investors and representatives of the public (perhaps members of the BBG). We do feel that such stand-by authority to intervene and place the second network on a semi-public trusteeship basis if it seemed necessary should definitely be provided. It is our view that time would prove this to be a desirable move, and as far as we are concerned such action could be taken right away with great confidence. In any case the authority should be there. The principle involved here is that the airways are a property of the public, and should be used fundamentally in the public interest. Our view is that this will work most satisfactorily if the public has some direct assess to control over the performance of the network.

The International Service

The League wishes to strongly endorse the policy set out in the White Paper that the International Service should be extended and improved, and that it should become an integral part of the operations of the CBC, with programming policy under the guidance of the Department of External Affairs.

Colour Television

The CBC commenting on the White Paper, notes that the policy set out in it regarding colour television has the effect of creating a competitive disadvantage to CBC stations. This is, in itself, undesirable. We do not quarrel with the importance of the needs being given priority over colour conversion. We believe, however, that the necessity of delaying extension of CBC colour facilities should be fully and frequently re-examined with a view, to making the conversion prior to 1969-70, if possible.

The Northern Services and Armed Forces Services

The League would be remiss if it did not express its very enthusiastic support for, and appreciation of, the intention set out in the White Paper to ask Parliament for rapid and comprehensive extension of radio and television service to our Northern Areas. We hope and expect that Parliament will enthusiastically support such a policy.

Conclusion

In conclusion, the League would like to emphasize that this matter of broadcasting policy is one of the most vital importance to the people of Canada, now, and in the long future. It is not being a bit "long hair" to believe that, to speak for a moment particularly of the CBC, an independent, creative and well-financed public broadcasting service in radio and television provided by Canadians for Canadians, would add greatly to variety and richness of our national life. This is the thing that must not be lost sight of. The Canadian people will support and value such a service, as they have over the years supported and valued the CBC, in spite of many ups and downs. We feel if there is a determination to maintain and improve our great public broadcasting service, and make it a leader in the provision of information, enlightenment and entertainment (to use the words of the White Paper) for all the people of Canada, that this can be done to everyone's basic satisfaction. We are sure also that the people can be found to do the job and do it well.

Similarly with the private, as well as with the public sector. This sector has a vital role to play, and we are sure can play that role, under the guidance and direction of a Board of Broadcast Governors that has a clear and challenging mandate from the people of Canada, through Parliament.

Respectfully submitted

The Canadian Broadcasting League

CANADIAN BROADCASTING LEAGUE MEMBER ORGANIZATIONS

Association of Radio & Television Employees & General Workers
Association of Canadian Television Radio Artists
Canadian Brotherhood of Railway, Transport General Workers

Canadian Co-operative Implements Limited
Canadian Federation of Agriculture
Canadian Jewish Congress
Canadian Labour Congress
Catholic Women's League of Canada
Consumers' Association of Canada
Co-operative Insurance Services Limited
Co-operative Union of Canada
Farmers' Union of Alberta
Federated Women's Institutes of Canada
International Alliance of Theatrical Stage Employees & Moving Picture Machine Operators of the U.S. & Canada
Maritime Co-operative Services
Maritime Federation of Agriculture
Prairie Agencies
Saskatchewan Wheat Pool
United Automobile, Aerospace, Agricultural Implement Workers of America (UAW)
Union des Artistes
United Farmers of Alberta Co-operative Limited

The League is additionally supported by individual members.

I would like to say that the president of our organization is Dr. John Robbins, who is the president of Brandon College. He would ordinarily have been with us today, but unfortunately he has an important university meeting in Regina which he must attend. He sends his apologies for not being present.

The CHAIRMAN: Would you like to add anything now to your brief, Mr. Kirk, or would you be prepared to accept some question?

Mr. KIRK: It is a very short brief; I suppose there is not much point in my trying to recapitulate it, but, I will underline a word or two. We are interested in good broadcasting and effective public participation through proper agencies to ensure that we do get good broadcasting in Canada.

The CHAIRMAN: I will ask Mr. MacDonald to lead the questioning.

Mr. MACDONALD (*Prince*): Perhaps for information and background, Mr. Kirk, I could ask you to briefly recapitulate for us how the Canadian Broadcasting League came into being and what its general functions have been, so that we would have this on the record.

Mr. KIRK: The Canadian Broadcasting League has essentially a long history; in some respects it goes back to the Radio League many, many years ago, at the time the CBC was first established. Then there was a long period of inactivity. Following the publication of the first Fowler Commission Report, looking to the likelihood of new legislation at that time, on the initiative really of Mr. Graham Spry, who was a very active member of the original league, a very extensive meeting with the Prime Minister was organized, representing all the organizations represented here at this time, and many others, to put before him our views at that time. Arising out of that, this group really established responsibility in a

group of organizations—which, incidentally, had representatives in Ottawa for practical reasons of keeping an organization of some kind going—to establish a league that would take a continuing interest in broadcasting policy.

The league has not been a highly organized organization, and it has very little money. It has about a hundred individual members and quite a number of organizations. Support for it by the important national organizations is very solid. We have functioned largely in the field of broad policy issues. We have never been equipped in terms of staff and money to take the detailed, point by point interest and participation in all issues of broadcasting policy that we, and perhaps the public would like. However, there is only so much that one can do. It is a limited organization and we have adhered to the basic issues over the years. Does that answer your question?

Mr. MACDONALD (*Prince*): Yes. Turning to page 2 of your brief, you describe the role of the Board of Broadcast Governors; there is one point I would like a little more elaboration on because of its importance, and in the light of the fact that you seem to be defining some additional responsibilities for the BBG other than the ones that are presently being exercised. You say.

> It must inform the public, it must accept the responsibility of leadership, and it must make judgments. It must assess the overall operation of the system, tell the people of this country in some detail—

Could you define what you mean by that? Is there some way by which you expect to the newly constituted Board of Broadcast Governors to be in much closer and more continuous contact with the public generaly in regard to its decisions and thoughts?

Mr. KIRK: We think that the present board is what you might call excessively judicial in its approach, from the point of view of the kind of board that is needed. It has hearings; it makes regulations; it puts out notices of hearings and it usually explains very briefly the kind of subject that is before it. I do not know if you are familiar with the notices of hearings and the announcements of decisions that are made, but I would submit that it would be an exceedingly difficult thing for the public, from reading these documents, to have any real idea of what the issues are, what is going on, and what kind of judgments they are making in fact in their role, representing the people of Canada. We think that a board should be much more forthcoming to the public about what it is thinking and what its issues are. Its responsibility should be not only to make the decisions and to inform itself, but to inform the public. A good deal of the information upon which representations at these hearings, for example, might be made should in fact come from the board, because that is the proper source of such information. The board should exercise leadership. It should take it as a premise that their job is to represent the public and that they have been given a mandate to create a good broadcasting system. They cannot do this unless they are first of all forthcoming about their thinking and have information and, secondly, unless they in fact make, qualitative judgments. I believe this point was raised a couple of times when we appeared before the board. The chairman has questioned really the ability of the Board, perhaps a regulatory board, to make subjective judgments. We submit that this is a subjective field and that they must make subjective judgments.

Mr. MACDONALD (*Prince*): It is your contention then that in the past a good deal of their thinking and decision-making has been kept in the dark, so far as the public is concerned?

Mr. KIRK: I would say that for anyone to inform himself about what is going on would be an exceedingly difficult job; it would take a lot of digging and could not be obtained from what the board has published.

Mr. MACDONALD (*Prince*): Another role which you indicate as well, refers to the financial adequacy of the provisions made by parliament for CBC funds. You suggest it would have the right and the responsibility of exploring and proposing, all in clear public view, new initiatives in policy where it thinks these are necessary. You refer to it later on in your brief; on page four you say:

> assess the adequacy of the provisions for public funds made for the CBC.

Do you think then that the Board of Broadcast Governors should pass judgment on whether or not the money that was being allotted to the CBC was adequate?

Mr. KIRK: Yes. Of course the policy of the league historically has been that there should not be two boards. In that sense, a single system has been our policy. I do not think we really departed very far from this policy, except that at a certain stage, such as the stage of the publication of the White Paper, one is inclined to feel that that particular demand is not in the cards, so to speak. Therefore to be most constructive, we must deal with what apparently, after years of arguing, we have failed to convince the government and the country of. That is why we are talking about the board in this way—we have not before.

Mr. MACDONALD (*Prince*): I am not quite clear on this. You say that you have been traditionally in favour of one board rather than two?

Mr. KIRK: Essentially one board, yes.

Mr. MACDONALD (*Prince*): Is this not going back to the old system?

Mr. KIRK: That is right. We never thought there was anything wrong with that system in the first place.

Mr. MACDONALD (*Prince*): You were in favour of that idea?

Mr. KIRK: Yes, indeed we were.

Mr. MACDONALD (*Prince*): Did you think it was fair in the context of private broadcasting to have the supervisor over private broadcasting being also the competitor?

Mr. KIRK: Yes, we did, because of the essential primacy of the public interest. We thought that that was the resolution of that false, and in our opinion not real, dilemma.

Mr. MACDONALD (*Prince*): You would not say that it would be in the public interest to have some private broadcasting in this country?

Mr. KIRK: We would say that it would be in and is in the public interest to have private broadcasting. We do say that and always have.

Mr. MACDONALD (*Prince*): But it is only in the public interest to have the private interest controlled by the public interest that is also broadcasting. Is that what you are arguing?

Mr. KIRK: We say that the airwaves are a limited resource that belong to the public and that it is a right and responsibility of the public operating it, through proper institutions, to see to the proper utilization of that resource.

Mr. MACDONALD (*Prince*): Although one might not disagree with that, one might also say that the private sector of broadcasting would not be administered to its own best advantage even in the context of the public interest were it to be controlled as it was in the past by the public broadcasting sector. I suppose this is an argument which can go both ways.

Dr. A. F. LAIDLAW (*Co-Operative Union of Canada*): Mr. MacDonald used the word "competitor"; the position the League has always taken is that essentially these are not two competing systems of broadcasting: the CBC and the private broadcasters. The League always has maintained that they are complimentary parts of a single system and that essentially in a good broadcasting system they should not be competing. The private broadcasters are an essential and valuable supplementary service to the national service of the CBC. What, in essence, we have been saying all along is that it is wrong to think of them in terms of competitors.

Mr. MACDONALD (*Prince*): Certainly on those particular terms one might not be able to disagree, Dr. Laidlaw; but whether we like the word "competitor" or not, it is true that a person can only listen to or view one program at a time, unless you have developed some very unusual talents. Normally you try to tune in on one program at a time and thus there is an area of competition when you must select at that particular point which program it is you are going to listen to or view.

Mr. LAIDLAW: Yes, but there again we believe that if it were operated as an integrated system so to speak, under the one board, there should not be a rival broadcast going on at the same time, but in actual fact an alternative choice. For example, if there is a football game on one channel, there should not be a football game on the other; there should be an alternative service.

Mr. MACDONALD (*Prince*): This would almost suggest at this point then, if you are going to have this effectively structured, that not only would the public broadcasting medium control the private broadcasting, but would also have to regulate its programming in order that there be this kind of complementary situation that you are suggesting. Would you be in favour of the one board idea going that far where they would actually control, so that there will be this kind of balance?

Mr. KIRK: If you are going to have two boards—and that is the recommendation in the White Paper; and it is our judgment that this pure one board system is not, as I say, in the cards—then we have to work out this difficult question of what the relationships are which we have tried to do. We have recognized that if you are going to have a CBC board and a BBG, that you cannot have two boards planning the programs and running the corporation from day to day. That is perfectly clear, and I think we have stated that. The White Paper establishes this principle because it says, in effect, that it should be possible for the board to make, as it were, ex post facto, judgments about how the broadcasting system was in fact performing in the past period and must make those judgments. We say that it is not improper; in fact, it is desirable that

the board make those judgments for the whole system. We think that the whole thing will not work well in fact unless there is an essential identity of interests and mandate and motivation on the part of the BBG and the CBC, and given that—we think it should not really be a difficult thing to achieve and that there should be no fundamental difference—then the BBG should not be a sort of a referee but rather a supporter, a consultant and a help to the whole cause, including the cause of the CBC. That is what we think.

Under the present system what happens, for example, on the question of setting up the second network—and I am not now arguing in principle the question of whether there should have been a private second network or not because we have a policy on that too. What actually happened, in our view, was that some of the issues fell between two schools. The CBC had its own corporation; it did not feel that it was really in a position to recommend another network because it had its own network. On the other hand, the BBG had no mandate to talk about money; therefore it sort of took it for granted that there is either no network or a private network and that is as far as their thinking could go on this. In other words, the root issue of how a second network should be run fell between two stools, and we do not think that should happen again. We think that the mandate to the board to look at the broadcasting system, advise about it and give leadership in it, should be broad enough that no aspect of the whole system falls between two stools and it turns out to be no one's business.

Mr. MacDONALD (*Prince*): You have introduced some other fascinating areas that are also in your brief. I would like to come back to this matter concerning the financial adequacy as far as the CBC is concerned; you have suggested quite clearly that it should pass judgment and make its views known as to whether or not the CBC is being financed adequately. Would you go so far as to recommend that the BBG would also pass judgment on the use of such funds by the CBC. For instance, would you place the new BBG in a position of saying: "Well, the CBC received $110 million last year. In the context of what the CBC was able to do as the public broadcasting system, did it use its money wisely? Was the program worthy of this expenditure." In other words is it just a matter of saying; was there enough money there, or are you also going to evaluate the use of that money by the public broadcasting system?

Mr. KIRK: I say that in the final analysis it should be evaluated but by the board.

Mr. MacDONALD (*Prince*): Which board?

Mr. KIRK: By the BBG. You see, you are raising questions about what they might do and specific things they might say about some particular program—for instance, that they spent too much on it.

Mr. MacDONALD (*Prince*): No, I am not thinking of getting into that kind of detail. I am thinking of evaluating the context of the total performance during the course of a year, or even a two or three year period.

Mr. KIRK: Yes, I think it should. This is a very difficult question because once you get two boards then it becomes a difficult question, and I think that probably we are in some disagreement with the CBC position and their comments on the White Paper on this. As we say, although we recognize the

difficulty of this, our concern is that we do not get a situation where you have the BBG with its too narrow range of concern and responsibility and then the CBC, two systems. I do not think it will work well this way. We do not think the BBG will ultimately have the breadth of responsibility, interest and concern that is necessary. I repeat that the problems here should not be problems. We think that they can be mutually-supporting institutions, not at loggerheads.

Mr. PELLETIER: I have a supplementray, Mr. Chairman. I think Mr. MacDonald is finished with his line of questioning, and I would like to put my question now.

The basic position taken by the CBC, when they appeared before this Committee, was that they should be subjected to exactly the same rulings as the private network by the BBG, in so far as these rulings are of a general nature—

Mr. MACDONALD (*Prince*): Of a technical nature.

Mr. PELLETIER: It depends on what you call technical, because I understood —maybe wrongly—that if any rulings or regulations were made concerning excellence or quality or whatever you may call it, for instance, and these were general rules, the CBC was ready to accept that they applied to the CBC as well. Is that the attitude that you do not agree with, or did I misunderstand you?

Mr. KIRK: As far as it goes, it certainly is not the attitude that we disagree with. If I understood correctly, the White Paper essentially agreed with the more recent Fowler Commission report that the board should take on the responsibility of establishing real targets in terms of quality and performance almost station by station and network by network. The White Paper certainly says that the CBC should be included in that exercise, and we say so too.

Mr. MACDONALD (*Prince*): I think that when the President of the CBC appears before us again the question should be raised as to whether or not they are thinking of the same definition to apply to all broadcasting or whether there will be two categories, one to apply to the public sector and one to apply to the private sector, because that may be somewhat different in the second instance.

Mr. LAIDLAW: This is the very thing that we would want to see avoided. We would not want to see the BBG sitting in judgment over the private broadcasters and not over the CBC, because there again you divide the system which we believe, essentially, would be an integrated system. Our position is this: If we are going to have a good broadcasting system in Canada, there must be a broadcasting authority of some kind—a broadcasting authority that has an over-all mandate. Once upon a time it was the board of the CBC that had that mandate. Now the decision has been made, for better of for worse, that in future the BBG will have this mandate, and that is policy. If it is going to be, then we say that it must sit in judgment over the whole system. If it is going to be the authority then it must have that mandate over the CBC as well as the private broadcasters, otherwise you will divide the system again and that is the very thing we do not want to see.

Mr. MACDONALD (*Prince*): But surely it is realistic to divide it in certain areas. For instance, we cannot expect the private broadcasters to have as many hours a week of public affairs programming as the CBC might have. We cannot

expect the same amount of drama or live music. These are all things that we expect primarily from the CBC, because they are being put in a particular position. So there is a difference.

Mr. LAIDLAW: There is a difference but, again, we believe that they should supplement each other, that the BBG should be the authority over that, that they should make an assessment and an appraisal and tell us if the Canadian system that we think the Canadian people should have is actually operating.

Mr. KIRK: On this point, the Fowler Commission said that they thought it should be almost a station by station assessment, recognizing the different potentialities of the different stations for performance—and we agree with that principle. So obviously you can set different standards for the CBC and the two networks, in relation to their structure, their access to public funds and responsibility.

Mr. MACDONALD (*Prince*): Again on the matter of funds, you talk about this business of advertising, and certainly the way in which the CBC is dependent upon advertising and using its prime time for this purpose is of grave concern at the moment. You say that you are unhappy with the formula of 25 per cent; that it is unrealistic and indeed forces the CBC more and more to be dependent upon the advertising dollar. I wonder whether you have not made an incorrect assumption by simply saying that this advertising is necessarily limiting in some way the public service that the medium might give. I threw this out the other day when the CAB was before this Committee. Would you think it might be worth while to explore the possibility of the CBC limiting itself in terms of advertising to, say, the advertising on just Canadian programming?

Mr. LAIDLAW: Of Canadian programs?

Mr. MACDONALD (*Prince*): If the CBC were to be limited in receiving its advertising revenue only from programs of Canadian content rather than as presently being recommended namely, that there simply be a percentage figure and they could bring in as much American programming, under a certain limit, as they wish. Would this not be a more realistic approach towards the development of this medium?

Mrs. ELLARD: It is certainly narrow minded, I can see we have not done anything like that very well.

Mr. KIRK: Well, of course, Canadian programming is the programming over which the Corporation would have control as to what it did on that programming in the first place. One of our assumptions and basic premises is that too much dependence on commercial revenue or on the sponsorship of those programs is a limiting and undesirable factor in terms of doing the kind of program that the CBC should do.

Mr. MACDONALD (*Prince*): Well, is that always an automatic thing though, I mean—

Mr. KIRK: It is not automatic, no.

Mr. MACDONALD (*Prince*): No.

Mr. KIRK: Good programming is done under sponsorship, sure—

Mr. MACDONALD (*Prince*): Is a hockey game improved because a certain company has decided to stop advertising it? I can think of some excellent drama over the years. Some of the large motor car companies sponsored some excellent drama, some of it produced in this country, which I think would not have been improved in any great degree because it suddenly became unadvertised. Somehow or other I get the feeling today that when a viewer turns on a program and discovers it is not advertised, he says "oh, oh, look out, this is a dull program" and switches over to the other channel. It may be almost an advantage in terms of picking up a lot of viewers to have a sponsor, and I cannot see that it is just an automatic thing that advertising makes for somewhat less than good broadcasting, which may still be in the public interest.

Mr. KIRK: Well, first of all, as far as the condition reflex you mention is concerned, we should get over that. That is all I can say about that.

Mr. MACDONALD (*Prince*): It is like sin, though.

Mrs. ELLARD: I do not agree with that. I think the Canadian public look forward—take, for instance, a program like Festival. It is not advertised; it is not sponsored.

Mr. MACDONALD (*Prince*): That is correct.

Mrs. ELLARD: And we are all pleased to death when it is coming on—

Mr. MACDONALD (*Prince*): Well, I wonder if we all are, or whether some people are scared away because it is not advertised.

Mrs. ELLARD: No, not everybody, no. We all have different tastes, and you have to cater to every kind of taste, but there is a large section of the population that does look for that, and it is not some. At least I hear people who say "We will not have to listen to advertisements". How about looking at a private station. Not long ago in Ottawa they put on a movie, an old movie, and it was a good one? In a short period of time—I think there was a letter in the *Citizen* after the showing—there were about 27 interruptions with advertising, in that film. At last we got so disgusted we turned it off. Well, that is hard to put up with.

Mr. MACDONALD (*Prince*): I think I will pass Mr. Chairman and let some of the others carry on.

Mr. DANDENAULT: On that question, we come to a kind of contradiction, in my opinion, because if we think that the basic criterion, let us say, for proper programming on the public system, should not be based only on *La cote d'ecoute;* that it should complement the private system, then we do not think anymore of mass programs, or programming that should be made for the largest part of the population. But then if you introduce the necessity of getting advertising, then you come back again with that *Avec cette exigence*, of a large public production. I think there is a contradiction there; because if both systems are competitors then you lower the level.

Mr. KIRK: Just one more word if I may on that point, because this is getting into this fundamental argument about advertising. In my opinion, the truth is, that the CBC, all over the years, has been operated on the principle that a large amount of non-sponsored broadcasting was a good thing, and that in the final

analysis you get better broadcasting this way. I think that the people of this country, after all is said and done, profoundly support this principle. I really think they do. That does not mean, you know, that on any given day at any given hour and any given state of mind, you may not do something else. I do not think you can do the kind of broadcasting that you should do in Canada on a purely sponsored basis. I just do not think you can. And what is more, it is also, I think—certainly in my organization and as far as I know throughout the organizations in the league among their membership—a principle to which they attach considerable importance, that you can get enough of advertising per se, as broadcasting, very quickly.

Mr. MACDONALD (*Prince*): I do not think we would disagree about the principles. I think what we are trying to do is deal with the realities. You have in your brief shown concern about the 25 per cent, and this is perhaps one other way in which I suggest it might be more realistically and more effectively worked out. This is really the point here.

Mr. KIRK: Well, I am not exactly against any candid examination, provided we agree on the principles.

Mr. PRITTIE: Well Mr. Chairman, to comment on the line of questioning that Mr. MacDonald was pursuing, I find his views on the role of advertising in broadcasting a little bit naive in some respects. This is not to say that there are not good programs which are sponsored; there are. But I could show Mr. MacDonald any number of quotations from people who have stayed in Canada and worked on TV here because they have a certain freedom to experiment, to try new things, because they were not limited by what a sponsor might think. This includes some people who learned their trade here and went on to the United States. Lorne Greene, in an interview about a year ago, paid a considerable tribute to the kind of work that CBC television was able to do, for this very reason. I want to go on and just mention a couple of points in the brief that I agree with heartily. There is, on page 5 and 6, a reference to the fact that CBC radio, at least, ought to be free of all commercial advertising. I have made this point a number of times myself. I believe the revenue from advertising, received by the CBC radio system is only 4 per cent and I believe in Canada there ought to be one wave length in all of radio and TV where it could be at least, free of commercials. The CBC, I think, like this idea. I am sure the Canadian Association of Broadcasters would approve it, because the other revenue would go to them, and I think this is a recommendation that should be taken quite seriously. I recognize that fact that this is not going to be possible in television. The other point I like particularly on page 2, at the top of the page, is simply the statement:

> ... the place of the public element should predominate in policy areas where choice between the two is involved.

I will not question on that. I want to get now to this question of the single system which the Canadian Broadcasting League still uses. The CBC does not use it any more, and in essence I agree with the ideal of the Canadian Broadcasting League. I agreed with them a long time ago when they said the previous system of the CBC Board of Governors, being the people who were in charge of broadcasting in Canada once, was quite all right, too. Private broadcasters

complained on principle rather than with the practice. But I think that has long since passed. I agree with Mr. MacDonald that the systems are in fact competitive, and I cannot really see now, especially in television where we have a nation-side private network, that it is going to be different. They do in fact compete, and they are going to compete in the future. I do not think we can say that there is a single system. That is why the CBC would like the funds to expand both their radio and television service, so they will not have to rely upon affiliates. I think that private broadcasters agree with that as well; so I really do not see how the CBL maintain the idea of the single system; we have passed it; we would like to get back to it.

On page 4 you refer to the BBG making quality judgments of programming. I gathered from Dr. Stewart's testimony before the Committee that he does not want to make those kinds of judgments. That may not be important if the legislation decided that the BBG were to do that sort of thing and it would be incumbent upon him, or whoever holds the job, to do it. I am at a little bit of loss yet to find out really what you mean by that. We have a lot of arguments about what is quality in broadcasting and what is good taste, and who determines it. Mr. MacDonald tried to question you on that point. You replied you were not referring to particular programming; you were referring to a general run of programs over a period of time. Is that the idea?

Mr. KIRK: Yes; it seems to me the White Paper said much the same thing; they said surely the Board of Broadcast Governors can upset the performance by other than technical regulatory standards. And we say the same thing. Surely, they can. We do not say that they can make a definitive judgment on every program. What we say is that if the creative effort is there, if the job is being well done, then that can be identified as a job well done in broadcasting. And if the job is being neglected, then that fact can be identified. That is what we say.

Mr. PRITTIE: May I put it this way. Is this the sort of thing you now have in mind. We now have a private television network operating in the country. Would you think the BBG should take this position. recognizing the fact that the network is in business to make money and will have to carry a lot of sponsored programs, that within a year's period of time, they would want to make sure that that network carried a certain amount of public appearance program, a certain amount of programs employing Canadian talent; is this the kind of performance that you think should be assessed by the BBG.

Mr. LAIDLAW: That is part of it.

Mr. KIRK: We also think that the extent to which creativity is being shown in a whole field of programming, sponsored or not sponsored, is capable of assessment.

Mr. LAIDLAW: And above all that they would live up to the commitments that they made when they got their broadcasting licence. If you look at the prospectus that a company makes when they are looking for a broadcasting licence, or for a channel you will see that they set forth very grandiose schemes for public service and cultural broadcasting, education, and so on. But if you look at their performance a few years later, you will find that they have fallen very very far short of the commitments they made and of the promises they made.We would feel that the BBG should enforce this very energically.

Mr. PRITTIE: We brought this point up Mr. Laidlaw, with Dr. Stewart. I asked if it was a fact that in the first years of private television broadcasting the BBG were more concerned with the financial position of the stations to make sure they survived and there was quality broadcasting? He admitted this was the case. I think he probably said somewhere in his testimony that they made unrealistic promises. I imagine this is the reason why in the White Paper there is a proposal that it be done on a station by station basis rather than on an over-all basis. But this point about the lack of performance compared to what was promised at the time applications were made, certainly has been brought up in the Committee.

On page 7—

Mr. A. ANDRAS (*Canadian Labour Congress*): Mr. Chairman, if I may, I would say to Mr. Prittie that unless the assessment is made on a station by station basis, it is impossible to make a realistic assessment. After all, you have a series of stations, each with its own franchise, each subject to its own commitments, and unless the stations are assessed individually on the basis of their own commitment, then how are we to know whether the station is in fact living up to what it undertook to do or whether it is living up to what the policy requires the station to do.

I would like to come back to another point that was raised either by you or Mr. MacDonald. I would suggest that qualitative assessment of station performance is entirely possible, as it is possible in any other aspect of the arts. We have qualitative assessment of arts in every field of performance and we should be able to establish criteria, and not as subjective as even my good friend and colleague, Mr. Kirk, makes out, if I may differ from him publicly—he will not mind that because we are very good friends. It is possible to establish objective criteria—reasonably objective criteria—as to the performance of the station. There is the question of the product mix, for example. Is there nothing but westerns—to take an extreme case—or is there an addition of public interest programs, the kind that our local private station has where M.P.'s are called on what they call "Platform", I think, and cross-examined by journalists. This is a program of public interest. I use this merely as an illustration, but it is possible to do that.

Another criterion is the use of Canadian artists; the opportunity for people in Canada to produce programs for Canadians to view. There are a number of criteria that can be used by people who are active in that field. If you establish them, and if they are not capricious, then it is possible at the end of a broadcasting season, or at the end of a year, to say that station "A" was a good station, station "B" was mediocre, and station "C" was a dud. I think it is incumbent on the authority to make such judgments and to have among its staff, or among its own composition, people who are competent to make such an assessment. It needs to be done in the public interest because whether a station is public or private, it is clothed with the public interest. This is the main point of the Canadian Broadcasting League. Broadcasting in Canada is not merely an industry; it is a utility that exists in the interest of the public in Canada. For that season, it is regulated; it is not a canning factory.

Mr. PELLETIER: This is really the central point of your brief, and, I think, the most important one, and I understand the point you are making. May I come back now to something that may be related. You do not feel that the private television networks should be owned by the member stations. I really do not know the objection to this. If the BBG would do the kind of job that you want it to do, would who owned the network be a very important point, whether it is the member stations or some other corporation?

Mr. KIRK: Well, that is a good question. I am not suggesting that the BBG could not meet this problem to a considerable extent, but if I understood the point that the Fowler Commission made on this, it was that the network should have a responsibility as a network that is not necessarily identical to the sort of joint interest of the private stations which broadcast the network material, and whether it should be a separate corporate identity for purposes of getting the best network performance. Now, I do not pretend to have any profound observations about that beyond the fact that this seemed to us to make sense as a proposition. I must say that that report having come out, having been before the government, we thought it was a remarkable procedure for the private stations immediately, in the face of that, while the report was under consideration by government and parliament, to create a *fait accompli* on this question.

Mr. JAMIESON: Could I ask a supplementary to that?

The CHAIRMAN: Mr. MacDonald, first.

Mr. MACDONALD (*Prince*): I read that particular comment with interest because it seems to me that your very proposition was one that we have already seen flounder pretty badly, both in radio and television. I am thinking of the Dominion network, for one example, where the network was publicly owned and operated by the Canadian Broadcasting Corporation, but as far as I could determine the affiliate expressed very little interest in it and found that it was not practical from their point of view. The CTV is another example. It was owned officially by Spence Caldwell. It seemed that he owned the network and nothing else. Again the private stations seemed little interested in it. I would think on that basis your judgment is perhaps not very sound on this matter. If a second network is to function in this country there has got to be some kind of owner or affiliate interest in it. I would think it would be germane to the very success of a second network that there be some particular interest exercised by the associate, even in terms of programming. Certainly if you compare public affairs programming on the CTV network this year as compared with last year or the year before, there is a considerable improvement, in my judgment.

The CHAIRMAN: Mr. Jamieson?

Mr. JAMIESON: I was just going to observe, since Mr. Kirk asked the question, that timing surely had nothing to do with the Fowler report or anything of the sort. It so happened that it fitted into that particular time; decisions had to be made then. I hope it was not your intention to imply in some way that the private broadcasters involved did this in definance of Fowler. This whole thing was under way and in fact, had to go ahead. If there was any decision it had to be the BBG's. It was not a question of just simply, directly afterwards, doing it; I think the record is pretty clear on that point.

Mr. KIRK: Yes; I understand there were exigencies that had to be met.

Mr. JAMIESON: Exactly.

Mr. KIRK: When you put it like this. But, I think, it was unfortunate.

Mr. JAMIESON: Yes; but that is a little different from the way you put it before.

Mr. KIRK: I do not pretend to be knowledgeable about this in a great deal of detail, but the question also arises in that connection about the problem of survival, if I understand it correctly, of the network. Is that correct?

Mr. JAMIESON: That is right, but it is up to the Chairman; I do not wish to get into a dialogue—

Mr. KIRK: O.K. Well if I understood it correctly the exigency was the problem of survival. I suppose that the board itself must deal with that. I, myself, am not completely clear that it had to deal with it, but perhaps it did.

Mr. PRITTIE: That is a criticism on the BBG more than of CTV. One more comment, and one question, Mr. Chairman; you make the same point that the CBC makes and that the CAB agrees with, that in television, where there is to be a second station established, that station should be a CBC station if a private station exists, and vice-versa if the CBC station is in agreement. I notice you have made no comment about a very important part of the White Paper, which is educational television. We have not dealt with this very much in the Committee yet; we are going to later on. It is a very important question. Have you any mandate to say anything on the question of educational television?

Mr. KIRK: The mandate has been our problem. As I explained at the beginning, we are an organization with limited resources, and we have tried responsibly to confine ourselves to matters that have been well understood among our member organizations, and on which we felt we did have a mandate. This educational television question is not something that, as a league, we have considered. I am sure people here have opinions about it and probably very valid ones; but as a league we have not really been in a position to develop a policy position, and that has been the problem.

Mr. PRITTIE: Thank you, Mr. Chairman.

The CHAIRMAN: May I ask Mr. Kirk whether there is any likelihood of a position being developed on educational broadcasting within the next month or two, by his group?

Mr. KIRK: I do not think so, to be perfectly frank.

Mrs. ELLARD: Which I think is very unfortunate.

The CHAIRMAN: The present expectation of the steering committee is that we would ask the Committee to consider the whole field of educational broadcasting after having dealt with the broad principles and structure of broadcasting apart from that; so that it might be a month or more before we get deeply into educational broadcasting. If you would like to take that into consideration, I am sure we would be most grateful for your opinions on it at a later date.

Mr. KIRK: In the last annual report of the Carnegie Foundation the president had an impassioned opening statement about the very real difficulty,

and the real problem it represented for society, of the financing of voluntary organization for what you might call are broad citizenship causes. All I am saying is that we suffer from some of the very real difficulties that such organizations have.

Mr. PRITTIE: Why do you not go after the Carnegie or Ford people to get a little help?

Mr. KIRK: They were not offering; they were saying that it was not their business. That was their point; that ungoing programs of organizations—especially policy organizations—are not a traditional foundation field for financing.

Dr. A. F. LAIDLAW (*Co-Operative Union of Canada*): I think you can assume that we can file a statement or a paper of some kind. We have assumed all along that when we speak of good broadcasting, and a good broadcasting system, we have been assuming that an important sector of that is educational broadcasting and I think we should spell it out now.

The CHAIRMAN: I think you will agree that educational broadcasting problems are quite different and unique, though, from what we have been discussing today. So, we are going to spend a lot of time on it, I expect, in this Committee, and we would welcome your comments.

Mr. LAIDLAW: We will undertake to file a statement.

The CHAIRMAN: Mr. Jamieson?

Mr. JAMIESON: Mr. Kirk, ladies and gentlemen, this first question arises out of your last comment, Mr. Kirk, with regard to the extreme difficulty of assessing national sentiment within large bodies, and so on, and what really constitutes general opinion. I accept the bona fides of the league; I am not arguing on this point at all, but it seems to me, when you say you try to represent the public interest in broadcasting, that this is one of the things that virtually everybody who is concerned about broadcasting is having difficulty with, trying to find out what is the public interest, what is public opinion, and all the host of related definitions and the like. The CBC, for instance, concedes—as I think private broadcasters do, and certainly this Committee does—that it has had a welter of conflicting opinions presented to it from the public. Now, I am interested in just how accurate you think your position is, and this is not a loaded question. I am genuinely interested in knowing whether you really feel that the views you express are, in fact, what might be called a sort of polarization point of public opinion on broadcasting. How much should this Committee take it that this constitutes what Canada and Canadians generally feel about broadcasting?

Mr. KIRK: First of all, Mr. Jamieson, I did not say that there was a difficulty in assessing the opinion of the members of these organizations. I said, there was a difficulty in getting financing for them.

Mr. JAMIESON: I thought when you talked about education—

Mr. KIRK: I am sorry, it was a misunderstanding. What I was talking about was money to do the job; the difficulty of financing and maintaining organizations. On the question of our mandate, take the activities of my organization over the years. Annually, my board of directors and my annual meeting endorse our participation in the league. They are informed, and have

been over the years, about the position of the league. The interest broadly speaking, along the same line of thinking as set out in this paper, was a matter of established policy of the Canadian Federation of Agriculture long before I came on the scene, and I have been on the scene for a little while now, actually; and I submit, with respect to my organization and the others, that you do not over a long period of time adhere to a policy position in legitimate organizational fashion without that representing at least a bona fide majority view of your organization. I do not say, obviously, that no other opinions exist in the country, or among farmers, for example. That would be ridiculous.

Mr. JAMIESON: Mr. Kirk, what I am getting at is really this: To take specific examples of the idea of control, your general conception is of a fairly stringent kind of control over both the public and private sectors. You mentioned that *post facto* judgments were possible and the other gentleman talked about established criteria, and so on. It seems to me that part of the problem is to decide ahead of time what is going to go on the air.

Let me ask you a specific question: Do you think that the BBG should have the right, in the first instance, to stop the presentation of a CBC program when it knows in advance—as is now often the case—what the content of that program is going to be? Is this in line with your concept of control?

Mr. KIRK: No; I do not think that the BBG should take on the day-to-day function of the Board of the CBC. What I do think is that the BBG should, as I say, accept the performance of the system. This is a problem of creativity. You cannot have creativity without attention to it.

Mr. JAMIESON: But this is not a philosophical argument, Mr. Kirk. I asked the question because you say that there should be no control in advance of the presentation of a program. This relates to my question about the reflection of public sentiment. I am quite sure that most of the Members of Parliament around this table have had representations made to them by individual members, and perhaps even corporate members, of your organization, who say exactly the opposite. They say to us, in fact, as parliamentarians, "Why do you not force the BBG . . ." or it may be the CBC—". . . to stop them putting that program on the air?" This is why I say that there is an inconsistency here that I think ought to be resolved, because it is at the root of our whole problem in trying to decide.

I do not wish to single out the gentlemen from, I believe it is, the Canadian Jewish Congress, but we have a case in point as of today with the von Thadden incident. We have had the chairman of the group that was here today advocating no prior control of the CBC, but I think I am correct in saying that your organization has said that there should be this kind of control in this particular case.

I have had, personally, similar representations from union organizations and individuals in unions. This is not done to cast reflections in any way on the bona fides of this organization, but to illustrate the extreme difficulties inherent in the situation. It is something on which I would like to get further clarification.

Mr. ANDRAS: Mr. Chairman, my organization, as did the Canadian Jewish Congress, expressed objection to Mr. von Thadden's appearing on the 29th of this month. This is purely an ad hoc reaction to a given situation. I think the record would show that the Canadian Labour Congress has never suggested what

would be, in effect, a kind of censorship in advance of programs. I do not think it is either desirable or profitable.

Mr. JAMIESON: But you do agree that it happens?

Mr. ANDRAS: Indeed it happens, and it is bound to happen in this country where people feel free to express their views, and where they react very strongly to given situations if they are controversial enough.

Mr. JAMIESON: But surely, sir, what we are talking about here is the stand which the League has taken, and your corporate organizations are members of this League?

Mr. ANDRAS: That is right.

Mr. JAMIESON: Here we have what, to me, is a clear-cut case of the contradiction of saying, on the one hand, that there should be no interference and, on the other hand, the advocating such interference. Whether it is ad hoc is irrelevant to me bacause ad hocs can happen fairly, frequently, and I suggest that they are in defiance of the principle you are enunciating.

Mr. ANDRAS: I agree with you that if we had ad hocs, as you say, week after week, then it would bring the whole position of the League into disrepute and it would bring my organization, as a corporate member of the League, into disrepute because there would be a total lack of consistency; but this is simply not the case.

Mr. JAMIESON: May I pursue this further with all of you? We, as parliamentarians, encounter the same kind of thing, and we have as high a degree of responsibility as anybody; and I can say, from a background of experience, that broadcasters are worried about this, too. However, we also have the problem of good taste. Within your group there are a number of women's organizations who are greatly disturbed and who have expressed views. Indeed, I have been very much impressed by same of the views that Mrs. Ellard has expressed in this regard. Once again we have this issue of whether or not—presumably in your case—the BBG is going to have the right to impose, whether it be before or after the fact, a degree of control over this kind of program-content. Again we have these same organizations advocating BBG control on the one hand, yet, on the other, saying that there should be the maximum amount of creative freedom; so that we are into what we have repeatedly called around this table the grey area.

You, sir, were the one who, I believe, said that there were clearly-established criteria.

Mr. ANDRAS: No; I said that it should be possible to establish criteria.

Mr. JAMIESON: Yes; but you said that they did exist within the arts. Would you say that these kinds of criteria in the arts would be accepted, within reasonable bounds, by, say, the total membership of the Canadian Labour Congress?

Mr. ANDRAS: I cannot say that, no. I do not agree, nor do I think you would say, sir, that the Canadian Labour Congress is so authoritarian or so totalitarian that it can profess to say that what it says is the view of every one of its 1,300,000 members.

Mr. JAMIESON: No; I was not suggesting that.

Mr. ANDRAS: If I may describe our own procedures, we are an organization that meets biennially in open convention. We get as true a reflection of grass root representation as I think it is possible for any organization in Canada to get. We get people straight from the mines, the forests, the stores and the factories. They take time off from work for a week, and come to our convention as delegates. They discuss resolutions on the floor and what they adopt becomes Congress policy for two years.

Mr. JAMIESON: Yes; I think all of us are aware of this.

Mr. ANDRAS: Now, consistently, every two years—since 1956, anyhow which is the life of our present Congress—they adopt broadcasting policies which we then submit to government, as you will find in our annual memorandum to the government of the day.

In the same period of time we have allied ourselves with, and through, the Canadian Broadcasting League in the expression of policies. Therefore, I think it is fair to say that to the extent that it is possible for a large institution to have a set of value judgments, and to have them arrived at through some free system of debate, we have them.

Mr. JAMIESON: I understand, sir; but the point is still valid, and I think the record is adequate in this connection, that there have been many things done on the instructions of or under the regulations, or control, of the Board of Broadcast Governors, for example, and, I suppose one could say, of non-broadcasting control boards as well, which have been opposed strenuously by individual groups who, in their totality, make up a national organization, be it consumers, labour unions, management or whatever the case might be.

Therefore I say that it is possible to arrive at agreement on a principle in a national meeting, but if that principle were to be adopted as a programming policy for Canada down through to the grass roots level one would find an enormous amount of disagreement with it amongst people who, in all conscience perhaps, supported the basic resolution, or the principle that was involved.

Mr. PRITTIE: Mr. Chairman, would you permit me a supplementary here? Mr. Jamieson asked one during my questioning.

I suggest that this is not peculiar to the Canadian Broadcasting League, and it is not peculiar to political parties. I know very well that leaders of parties say things that members do not support. I know premiers of provinces come here and say that the people of such-and-such a province believe... How does he know what they believe. He is just stating an opinion.

Mr. NUGENT: On a point of order; Mr. Jamieson had a question and this is hardly the time for an argument.

The CHAIRMAN: Gentlemen, before there is any further discussion I wonder if I could ask Mr. Kirk to say something? He has to leave in a few minutes and he wanted to comment on this question that Mr. Jamieson has raised.

Mr. JAMIESON: What I am trying to find out is just what constitutes public opinion on the matter of broadcasting.

The CHAIRMAN: We can resume that line of questioning once Mr. Kirk has had an opportunity to speak.

Mr. KIRK: Yes; I have to talk about bankruptcy upstairs in a few minutes.

First of all, our organization has on the record resolutions we have had from time to time from local groups, which were essentially what you might call censorship resolutions, along the lines of the problem you are expressing. These have uniformly not gone through our meetings because of the organization's adherence to this principle of independence.

Nobody suggests that there are not difficulties in this field, but this is the challenge we face in building wise and independent institutions that do the job well and exercise the responsibilities that in the final analysis must be inherent in the operation of such an institution. This is the job that we have got to see is done. It has to do with the people you get to run the show, and a lot of things. Our proposition is that it can be done, that we had better do it and that we had better do it under conditions of independence for these institutions.

Mr. JAMIESON: Perhaps you have a few more minutes, or it may be that the other members of the group can answer my questions.

How far do you see this business of program-control going? I take it that what you see is a rather strongly established BBG which sets down certain criteria. Now are these criteria of quality? I can understand mathematical criteria; these are relatively simple things. I can understand the 55 per cent Canadian content. What I find hard to understand is how you get the so-called character of Canadian broadcasting. The present regulations say that there shall be 55 per cent content and character. Are you suggesting, or is it the idea of the League, that somehow or other the Board of Broadcast Governors should try to determine what the character of Canadian broadcasting is going to be?

Mr. ANDRAS: Well, if you are directing the question to me—

Mr. JAMIESON: If you please; anybody can answer.

Mr. ANDRAS: Let me try. We are not a conspiracy of unanimity here. There are probably variations in our thinking. I would put it to you, Mr. Jamieson, that although there is some ability to make quantitative measurements we must also rely on qualitative measurements. I would anticipate you by saying that this is much more difficult to do; but it is still possible. To take what I hope it is a simple example, the BBG has for many years had regulations about prohibited subjects. I cannot recall, offhand, what they all are, but there are about ten of them. I remember looking them up.

Mr. JAMIESON: They are becoming more limited all the time.

Mr. ANDRAS: Good; but there happened to be a series of them. It is conceivable that a station, in the interests of attracting viewers or listeners, may skirt so close to what is prohibited as to engage in what is essentially meretricious broadcasting, and if it does it persistently then it is possible to make the qualitative assessment that that station is engaging in low-quality broadcasting which is skirting the illegal.

Mr. JAMIESON: May I ask you a related question? There was a regulation which originally said that birth-control could not be discussed on the air. This

was abandoned in the light of new approaches and perhaps a greater degree of broadmindedness. The regulation now says that birth control cannot be discussed on the air except in a manner appropriate to the medium. Now, I ask you—and I realize it is a difficult question—what is "a manner appropriate to the medium"?

I raise this question because this kind of qualitative judgment is precisely what I suggest any producer, public or private, is up against.

Mr. ANDRAS: I think you have a point in terms of a specific subject and a specfiic kind of program. This is a very difficult thing to do, and I admit it to you freely. However, I put it to you that it is more important for the public regulatory authority to make a general assessment of the station on the totality of its broadcasting after the fact. I think you pretty well have to do it after the fact.

Mr. JAMIESON: If it is merely a matter of saying that we are going to run a broadcasting system and are going to make periodic reviews of its effectiveness, that is one thing, and I think it is possible, after the fact, to sit down and make an assessment. However, would you say that there was unanimity on whether "Sunday", or "W5"—I do not really care which—meets the criteria that presently exist, of a high standard, basically Canadian in content and character and variety? These are the three criteria that exist at the present time. I am sure that opinion in the country is poles apart on whether "Sunday", for example, is, a high standard program. This is another example where criteria, I suggest to you, have failed to bring about any degree of unanimity whatever.

Mr. ANDRAS: Well personally, I am not a staunch believer in unanimity, Mr. Jamieson. I think in our kind of society we should not seek unanimity.

Mr. JAMIESON: I certainly agree, but—

Mr. ANDRAS: We should seek to explore all differences and arrive at a consensus.

Mr. JAMIESON: —who is to decide what is the high standard? Are you prepared to set yourself up as the person who decides whether or not "Sunday" is of high quality, or should it be a dozen or a hundred? What percentage of the Canadian public does one flush out and set up in some sort of a choice position to pass judgment on what is, or is not, good for the rest of us?

Mr. ANDRAS: I think my colleague to my left wants to speak on this. Do you, Dr. Laidlaw?

Dr. A. F. LAIDLAW (*Co-operative Union of Canada*): Mr. Chairman, I think we are asking ourselves this question: Is it possible to establish certain standards, or make judgments, not on a particular program? I think this is a very difficult thing, Mr. Jamieson, and I agree with you, but I think it should be possible to take a radio station or a TV station over a period of a year, for example, and by monitoring it, by an examination of its broadcasting schedule and its logs and so on, to say: "This station is doing a good job".

We must make comparisons. Anyone who has listened to broadcasting, for example, in Great Britain and compared it with broadcasting in the United States knows that there is a tremendous difference—

Mr. JAMIESON: With respect, who? There is a good deal of evidence, Mr. Laidlaw—and I have no wish to be argumentative here—that in terms of the

Americans themselves, and even of a good many Britishers for that matter, they prefer their own system to the British system. Therefore, who is making the judgment between the two?

Mr. LAIDLAW: If we say that there are no values, or no ways of assessment—

Mr. JAMIESON: No, I am not saying that at all.

Mr. LAIDLAW: Oh, well, there must be a difference. For example, there are four radio stations broadcasting in the English language in the Ottawa area. I think that if the group of people in this room were to listen to these four stations over a period of, say, 24 hours, they would all readily agree there is a tremendous difference between them. I, personally, for example, can listen to one of these radio stations for hours on end. There is another one that I cannot listen to it for two minutes. It is just a nauseating, obnoxious performance that I consider an improper use of the airwaves of this country.

I think we must agree that there are differences, that there are scales and that there are values, just as there are in literature, or in music, or in sports, or whatever it may be. There are values, and we must make an effort at least to see that there is improvement, that we move upward on our scale, and that we eliminate the things that are nauseating.

Mr. JAMIESON: They are nauseating only by your standards. I do not know to which station you are referring, and it does not really matter, but the fact is that I may be thoroughly enamoured of that station. I do not know.

I suggest to you that this is again precisely what I am getting at, that you are, in effect, passing a totally subjective judgment based on your own tastes and interests and likes. What about the people who are listening to that station that you think is obnoxious and nauseating?

Mr. LAIDLAW: Mr. Jamieson, do you think that you would find many Canadian citizens, out of 100 that you meet on the street in Ottawa, who like being pummelled with nauseating advertising and singing commercials?

Mr. JAMIESON: I have no idea what would happen with 100 people. I merely know that there must be some substantial audience for this particular service that is being offered. I am not saying whether it is a good thing or a bad thing. I am merely saying that that part of the audience likes that particular service. I think there are people who would say, for example, that they cannot stand the kind of programming that you prefer.

All I am saying—and it is in line with what the gentleman on your right said about not particularly agreeing with the concept of unanimity—is that perhaps within this spectrum what we have to try to do is to get as much variety as possible and not necessarily have everything conforming so that you have four stations that you like and others not liking any of the services.

Mr. ANDRAS: I do not really think that is the point.

The CHAIRMAN: May I interrupt for a moment? I think we are getting to the point where the questioner is answering the questions.

Mr. JAMIESON: I am purposely not doing that.

The CHAIRMAN: Perhaps we should try to limit ourselves to questions and the witnesses could limit themselves to answers rather than putting questions to the members. We might proceed a little more quickly.

Mr. JAMIESON: I will get off this point. I have just one or two more questions, if I may.

The CHAIRMAN: I think Mr. Dandenault wanted to make a comment on the last question, or statement.

Mr. DANDENAULT: May I speak in French?

The CHAIRMAN: Certainly.

(*Translation*)

Mr. Egide DANDENAULT: I feel that the problem which has been raised by this gentleman whose name escapes me, is practically a contradiction *per se*. The point is that an attempt is being made, apparently, to reach some unanimity on the objective quality of programmes and programming generally. There appears to be a contradiction here, however. There do exist some objective quality criteria with regard to broadcasting, just as they exist in all other areas. I might give an example.

If, for instance, we were to look at 25 newspapers published throughout this country, it would probably be most difficult to establish the objective quality of newspapers by putting questions to people, *i.e.* by attempting to reach some consensus on that point. But common sense should indicate to us that there is a considerable variation in quality between a scandal sheet for instance, which is bought by a large part of the population and other newspapers. I do not know whether we should give names of newspapers here but without venturing a personal judgment on that score, I think we will all agree that there is an enormous difference in quality between *The Globe and Mail* and *Le Devoir* the one hand, shall we say, and *Allo Police* or *Ici Montréal* on the other. And even if there is no unanimity of views in the population on the quality of those newspapers, I think that objectively we can agree that there is a considerable difference. I believe that criteria with regard to programming can be established on the same basis. I do not think we should always be dealing here with the rivalry between the public system and the private system, but that we should have reference at all times to the complementary character of the system. We should see to it that the two systems complement and not fight each other.

(*English*)

Mr. JAMIESON: If I may respond briefly I could not agree more that there are criteria with regard to print, but I think the difference is that we do not seek to impose any kinds of regulations on either the scandal sheets or the others, and I think it makes it vastly different from broadcasting which is controlled.

(*Translation*)

Mr. ROUSSEAU: Mr. Chairman, having listened very attentively to these comments and exchange of views, I feel I can say that this discussion which was raised by Mr. Jamieson originally is based on the representative character of the League membership. I believe that all of us here who represent some Association

or other will have to make subjective judgments on the matters under discussion. I do not think that you, more than we, should always have to carry out plebiscites or referendums to arrive at a determination of our opinions in this matter. The views of the Canadian Broadcasting Leagues are, in large part, contained in this brief you have before you. Its mandate is based on positive resolutions which have been submitted to us on various occasions. Generally speaking, they represent a consensus of views of those Associations which are members of the League. We should be careful not do discuss these things backward. For instance when we speak of quality we should not merely be concerned with the quality of Canadian content but also with that of foreign content. I do not think we should deal mainly with the negative aspect of our recommendations. The recommendations we are making here are based on views which have been expressed to us by our corporate members following observations which were discussed in various focuses of discussion throughout this country. Quite obviously there will be apparent contradictions in respect of certain particular cases. It appears to me too that there have been certain contradictions in views expressed by the Board of Broadcast Governors. They indicated, for instance, that the owners of private stations should not be owners of T.V. network.

I think you will have to rely on the representations which are respectfully being submitted to you by an organization such as ours in the absence of any other criteria.

(*English*)

Mr. JAMIESON: I would like to make it perfectly clear that my questioning had absolutely nothing to do with the validity of the resolutions. I was merely saying that it does occur frequently there is a difference between the position taken by national bodies and large segments of its membership.

The CHAIRMAN: Did you have a supplementary, Mr. Berger?

Mr. BERGER: It is a question related to what was said a moment ago. Let us assume, for the moment, that the Board of Broadcast Governors has the power to say what should be done and what should not be done. At the bottom of page 6 of your brief it says:

> In future the Board of Broadcast Governors should effectively require compliance by stations with the performance standards laid down .... by the Board . . . . There should be means provided in the legislation to enable the Board to discipline licensees and to refuse renewal of licenses, in an orderly way.

For instance, this could apply to a program, the standards of which are not too high. I can understand that in the case of private stations but I am trying to find out what the Board would do with the CBC under the same circumstances. If it is not a related question I will wait until later for an answer.

The CHAIRMAN: If somebody wants to answer it now they may do so.

Mr. BERGER: How should the Board deal with the CBC with regard to the last paragraph on the bottom of page 6?

Mr. ANDRAS: I will try to answer that, Mr. Chairman. It seems to me that there are at least two ways in which that could be done. One is for the Board of Broadcast Governors to address itself to any inappropriate behaviour or performance on the part of the CBC and draw its attention to its failings in the same way it would to a private station.

The other is the fact that the CBC is a Crown Corporation and as such, is not subject to control in its day to day operations by parliament but because it belongs to Her Majesty in Right of Canada it is subject to the sovereignty of parliament, and if it appears that the CBC is not performing then parliament has adequate means to correct that situation.

Mr. JAMIESON: What are they?

Mr. ANDRAS: There are any number of means.

Mr. JAMIESON: I think the other gentlemen here are as interested as I am to know what they are.

Mr. ANDRAS: I will be quite frank with you, Mr. Jamieson; I do not think that means an investigation and comment in the House on a daily basis of what happened on last night's broadcast, for instance.

Some hon. MEMBERS: Hear, hear.

Mr. ANDRAS: I am personally, and I speak personally here, appalled at this kind of activity.

The CHAIRMAN: You seem to have invited it through your own organization in the instance to which Mr. Jamieson referred. It poses quite a problem for Members of Parliament who are puzzled, on the one hand, by the demand for intervention by government and, on the other hand, the demand for no political interference.

Mrs. H. M. ELLARD (*Federated Women's Institutes of Canada*): The thing is, who is going to censor who?

The CHAIRMAN: I think that is the very point. I think that most of us would agree with the statement you have just made but, perhaps, it is not consistent with the demands that are often made, even by members of your own constituency.

Mr. ANDRAS: I have already commented on the von Thadden case and I will not go into that one again. I think it is possible and it should be required of us—I would certainly expect it of the BBG—to point out deficiencies in the CBC in the same way as it would of any other broadcaster who has the right to broadcast, whether on radio or TV. In the case of the CBC, particularly since it is a Crown Corporation, I think the powers of parliament are so great that it can do virtually what it pleases with the CBC. It can remove all its directors and replace them; it can give direction; it can control its budget. It can do so many things that it seems to me it is an act of supererogation for me to even suggest to the members of a sovereign body what they can do with a Canadian Crown Corporation.

The CHAIRMAN: I suppose Mr. Jamieson is really asking what do you feel would be appropriate action on the part of government because, of course,

parliament is supreme. I should think that on the basis of the philosophy you have expressed your group would be one of the first, as I would hope it would be, to take issue with any government that attempted to control public broadcasting in a heavy handed way.

Mr. ANDRAS: I think it would be bad for broadcasting to be controlled. To me, in a heavy-handed way, means scrutinizing particular programs and saying that Mr. John Doe is a bad producer or that Mr. Richard Doe has misbehaved on a given program. I think it is appropriate for parliament—and I hope you do not consider me presumptuous, but I am a Canadian citizen born and raised here so I will exercise my rights—to have standing committees and for them to summon witnesses whether from the broadcasting field, the lay public or from the CBC in this case. That is one function that rightfully belongs to parliament. There is still another function that parliament has and should always have. It receives, through the responsible minister, the annual report of the CBC. It has an opportunity on various occasions during the course of the parliamentary session to scrutinize the functioning of its properties and I think it is quite appropriate for it to do so. It is not only appropriate, it is essential for it to do so because that is the duty of Parliament.

Mr. JAMIESON: Is it then the recommendation of the League that there be a standing committee on broadcasting?

Mr. ANDRAS: We have never objected to a standing committee.

Mrs. ELLARD: For years we have been asking for it.

Mr. LAIDLAW: It has been stated several times in our brief that there should be a standing committee of the House on broadcasting.

The CHAIRMAN: Of course there is. The question is what functions of control do you have in mind for a Committee such as ours? You are now testifying before a Standing Committee on Broadcasting, among other things. I think that the real question is how do you envisage that such a committee can exercise any control other than bringing forward public reaction to broadcasting practices.

If I may interject, Mr. Jamieson, I am interested to know how Mr. Andras and his organization think it would be appropriate for government to intervene in a case like the von Thadden case. Is it appropriate in such a case for the government in some way to direct the CBC not to interview such a person? This is a good example to take. How you do consider government action appropriate?

Mr. LAIDLAW: Mr. Chairman, if I may suggest, I think it is a very dangerous precedent and a very questionable procedure for parliament to step in and tell the CBC or a private station that it cannot put on such and such a person or it cannot have such a program. I think that is a form of censorship that we should, as far as possible, avoid altogether.

Now, as to how parliament should exercise its control, I would say that the BBG, in its annual report, should make an assessment of the performance of both the CBC and the private broadcasters.

Mr. CHAIRMAN: You would not subscribe to the view of any member organization of the League which asks the government to intervene in a particular case on an ad hoc basis to prevent some particular programming?

Mr. LAIDLAW: No; I think that is a very dangerous thing and I would not subscribe to it.

The CHAIRMAN: Mr. Nugent wanted to ask a supplementary question.

Mr. NUGENT: I have a supplementary question to ask of Mr. Rousseau dealing with this recommendation on the bottom of page 6 which says:

> There should be means provided in the legislation to enable the Board to discipline licensees—

I appreciate the lecture on what parliament should or should not do, and this recommendation, in effect, says that the BBG should be able to take away the licence of a private broadcaster if he does not behave, but when it comes to the CBC there is this lecture on what parliament should do. Is it the submission of your League that the BBG should have no control, no power or no way of disciplining the CBC for the same thing that they can do with private networks?

Mr. LAIDLAW: There is this difference, of course: in dealing with the CBC, you are dealing with a national organization that has broadcast facilities all over this country, whereas in dealing with the private broadcasters you are dealing with hundreds of separate corporations, each a self-governing body. The stations in London and St. John's, Newfoundland have no connection, so that obviously the means by which you will deal with private broadcasters and the means by which you will deal with the CBC are quite different.

Mr. NUGENT: Should the BBG be able to deal with them at all? You say that because of that difference you do not recommend that the BBG control the CBC in the way that you recommend they control private broadcasting?

Mr. LAIDLAW: All we are saying is that the BBG should control both parts of the system but naturally, because of the difference between the CBC's structure and the private stations, the means by which it exerts that control is different in the two cases.

Mr. NUGENT: I do not want to pursue this too long, but the point is that you have made a practical suggestion on how they can control the private broadcasters. Do you have any practical suggestion as to the means by which the BBG might make their control effective?

Mr. LAIDLAW: Obviously the easiest, the simplest and the most direct way for them to do so, is to draw it to the attention of the Board of the CBC—just as in the case, for example, of the station in Winnipeg or somewhere else which is not doing well: you draw it to the attention of the management and the board of that station. In this case you draw it to the attention of the management and the board of the CBC.

Mr. NUGENT: You could do that for the CTV network, too; you could draw it to the attention of the board. But you have gone further and said that here is a club we can use to make sure it is done right. You do not have any similar thoughts about the CBC?

Mr. LAIDLAW: Except that they are different organizations, and that is the difference.

The CHAIRMAN: Mrs. Ellard wanted to add something to that answer.

Mrs. ELLARD: I know this is a difficult question and I am not very good on technicalities. I am practical and down to earth; I have to be when I belong to the Womens' Institutes. When we handle our business which is, I think, pretty big business, if we have standing committees and if those standing committees want to do something they make recommendations to the national executive that certain things need to be dealt with at once; or if they need reprimanding regarding things that certain provinces have done or some committees have done this action is taken. Why cannot the Standing Committee on Broadcasting do the same thing with the CBC and recommend that the CBC be reprimanded if you feel it should.

The CHAIRMAN: I would be very interested to know whether if the position taken by the League is that this Committee should permanently ride herd on the CBC and the other broadcasters and month by month—

Mrs. ELLARD: No.

The CHAIRMAN: —advise them on whether they are doing the right thing.

Mrs. ELLARD: No, but in an emergency, such as you have now regarding this German man.

The CHAIRMAN: I would be glad if the League could state its position on that suggestion by Mrs. Ellard, if there is someone who can.

(*Transaltion*)

Mr. DANDENAULT: Mr. Chairman on that matter, I do not feel I am authorized or mandated to express the League's opinion. Let us say, then, that I am expressing a personal opinion, an opinion which has indeed been expressed on various occasions. First, I believe that it is obvious that most people would not like to see any direct control or intervention on the part of Parliament over programming and so on. However, on the other hand, I do feel that the Board of Broadcast governors, to which we have given the responsibility, in part, of informing the public, should have means of investigations at its disposal. It should use these means to follow production activities, both on the private and public networks, to determine the taste of the public and the reactions of the public. Third, the BBG should be empowered to establish general rules and criteria with regard to programming in the case of both networks.

Some rules are easy to establish and to police. For instance, when we speak of a 55 percent Canadian content, this is a mathematical rule which is checked through quite easily. On the other hand, we too realize that we are entering what Mr. Jamieson a moment ago called "this grey area". In this case, it is more difficult to make distinctions. This being the case, it does appear to me that the BBG should have very clearly defined powers. It should be empowered to forward recommendations and criticism to the Parliament of Canada. In other words, the Parliament of Canada would be called upon in those instances to intervene however only on receipt of recommendations from the BBG.

This would, I believe, obviate the possible difficulty of direct intervention by Parliament which nobody likes. But we would have here an organization which checks these programs, analyses their contents and forwards recommendations

to Parliament. Parliament would only intervene on the invitation of the Board of Broadcast Governors.

(*English*)

The CHAIRMAN: I think Mrs. Ellard's suggestion is in direct contradiction to the position that you have just expressed, and in direct contradiction to the principle expressed in your brief that there should be no political interference with broadcasting. Any committee of Parliament is simply part of Parliament, and I am most interested in knowing, apart from personal opinions, what the position of the League is on this point. Do you picture a broadcasting committee, even in what Mrs. Ellard considers is now an emergency situation—the issue of von Thadden—sitting to consider what intervention there should be in the programming of our broadcasting systems? Do you have a position on this?

Mr. LAIDLAW: If we have any firm policy on this it would be that we would not favour a broadcasting commmittee of Parliament sitting in judgment on programming from day to day. We would prefer to see the broadcasting committee acting as the intermediary, so to speak, between the House of Commons and the working group of the House of Commons that helps to fashion the legislative machinery of broadcasting, and not to sit in judgment, so to speak, on programming. We look upon the BBG as the authority in the field as is anticipated in the White Paper, rather than a committee of the House of Commons.

Mr. JAMIESON: I have one final question, and then I would be delighted to yield to Mr. Pelletier. I do think, as your questions have indicated, Mr. Chairman, that we are at the crux of the matter here.

You do agree that the public interest of Canada which you represent should have a court of appeal or some group to which it can appeal or make representations to on the basis of specific programs which a group, large or small, may resent or, for example, plan programming?

Mr. LAIDLAW: That is right.

Mr. JAMIESON: Now, if that is not parliament, then what it amounts to is that the Secretary of State, in answer to questions, whether they come from the opposition side of the House or wherever they come from, would merely say: in all such instances this is no business of parliament; we are simply telling you to go to the BBG. That seems to me to be the practical effect of what is being suggested, and that the initiative in the first instance would be with the BBG. If I understand this gentleman correctly, anybody who chose to do so could go to the BBG. The BBG would then, presumably, siphon out or sift off those matters which were irrelevant, but might conceivably come back to parliament after examination or something of this nature and say: here is a matter on which we think parliament should take action. In other words we, in effect, could be saying in the House of Commons that we are delegating or deputizing the BBG in all these areas, so that the questions that have been popping up almost daily would no occur in the House of Commons at all.

Mr. LAIDLAW: That is right.

Mr. DANDENAULT: The BBG, in my opinion, represents the Canadian public and Parliament acts only on requests of the BBG when it feels that something has to be done in some way.

Mr. JAMIESON: I am not sure about the constitutional position in that regard; it may be perfectly sound. But the point is—and again we come back to the very valid question of Mr. Nugent—that if the BBG has no authority in terms of disciplining the CBC, then what can the BBG do, even in those cases which it does not feel it should refer back to parliament—perhaps things that it feels it can dispense with, or ought to be able to dispense with, on its own? It is merely a question of slapping somebody over the wrist, presumably.

Mr. LAIDLAW: Mr. Chairman, I do not think that we have suggested that the BBG should not have the power to discipline the CBC the same as private broadcasters.

Mr. JAMIESON: I agree, but how do we do this, Mr. Laidlaw?

Mr. LAIDLAW: All we have said is that the procedure is different.

Mr. JAMIESON: It is so different that you have not been able to name it.

Mr. LAIDLAW: It is just different in this way, Mr. Jamieson: that in dealing with a particular station out here you are dealing with one single station—

Mr. JAMIESON: I understand that.

Mr. LAIDLAW: —whereas in dealing with the CBC, obviously if the CBC station located in Halifax puts on a program that you want to censor or or you want to discipline the CBC for, you deal not with the station in Halifax but with the CBC.

Mr. SHERMAN: May I ask a supplementary question, Mr. Chairman? How is it different, Mr. Laidlaw? You refer to these differences, but what about areas where there is no CBC station as such, merely a CBC affiliate which is a privately operated station? Then you are into a situation where, if you apply the yardsticks and the practice that you advocate you are going to be taking a broadcasting outlet off the air in an area which is served by only that one broadcasting outlet. So you are in exactly the same position you would be in with respect to the CBC position that you have been discussing. Would you then say that in those cases once again a different kind of discipline would have to be worked out?

Mr. LAIDLAW: If it is a case of programming, obviously it would be where the program originated; but if it is a question of long-term performance of the station then it is the station itself, if it is a CBC affiliate.

Mr. SHERMAN: To follow up Mr. Jamieson's question, what kind of disciplinary powers are you going to exert in a situation like that? Do you suggest that the BBG can go so far as to deprive that area of broadcasting service?

Mr. PRITTIE: He answered the question; he would discipline the CBC for originating the program.

Mr. JAMIESON: How do you discipline the CBC? This is what I want to know.

Mr. LAIDLAW: I do not think that we could be expected to lay out in detail how the BBG could bring the CBC into line in a particular case.

Mr. JAMIESON: I think we can do so very simply. In the first instance, there is what I described as a slap on the wrist which can be administered to a private

station, a sort of "Do not do it again" kind of admonition. Secondly, there is the possibility of putting in a system of fines. The third one is the cancellation of licence. These are the only three things that can possibly be done, so far as I can see, in the way of discipline. I think these work extremely well for the private sector. I am asking what use are any of those three in terms of the BBG's relationship with the CBC? It is not going to cancel the CBC licence, is it? Is it going to fine, and, if so, what is achieved by fining? Parliament, in effect, is taking money out of one pocket and putting it back in the other.

Mr. LAIDLAW: Well if a CBC station is not functioning as it should, obviously, as you say, the BBG should administer a slap on the wrist.

Mr. JAMIESON: But that is about the end of it, I suggest.

Mr. MACDONALD (*Prince*): Mr. Chairman, may I just make a suggestion?

The CHAIRMAN: I have a great many supplementaries and there are still two people who have indicated they would like to question. Will it be brief?

Mr. MACDONALD (*Prince*): It will be very brief. What would be the reaction, in order to put this kind of thing into operation that Mr. Jamieson is talking about, to the BBG making the appointment of the president of the CBC in consultation with the government? This would make a much more visible connection in terms of discipline and so on.

Mr. LAIDLAW: I really would not have an opinion on that. It does not seem workable. After all, the CBC and the BBG are creations of the Parliament of Canada, and I cannot very well see the president of the CBC appointed by the BBG. But certainly, if I may return to Mr. Jamieson's description of what happens, what you describe there, Mr. Jamieson, in the functioning of the regulatory authority is very much what actually happens, for example, in Great Britain, as I understand the system. In Great Britain, Parliament itself does not presume to exert a great influence, or any influence or any censorship, over the BBC; it is the broadcasting authority. We would like to see the Parliament of Canada create in the BBG an instrument representing the Canadian public that would upgrade, regulate, improve and in every way operate to give us the best broadcasting system possible in Canada; we want some group clothed with the authority and the mandate to do this, and we think it should be the BBG.

Mr. JAMIESON: Mr. Laidlaw, you have virtually paraphrased things that I have said a hundred times. I do not dispute it. I simply say that I have not found the engine yet, and I do not know who has.

Mr. DANDENAULT: Do you not think, for instance, that the BBG should have the power, not of suspending the licence, for instance, of the CBC, but perhaps suspending some programs or some people?

Mr. JAMIESON: This is something on which I suppose this Committee is going to have to make recommendations.

Mr. DANDENAULT: I agree.

(*Translation*)

Mr. PELLETIER: Mr. Chairman, the questions I have to put relate for the most part to the matters which have been under discussion up to now. All

I would like to do at this point is to offer a preliminary remark. I would like to ask all witnesses not to feel that because I am putting my questions in French, they are of interest only to French-speaking members among them.

The brief refers to standards and we have had a number of questions and answers on the subject. I do feel however that the nature of such questions and answers might lead one to believe that these problems of standards exist especially within the CBC whereas I do feel, on the contrary, that these matters of standards, these problems arise also on the private networks but that the Canadian public is so used to the situation that it takes no further notice of them.

With respect then to these matters of standards of quality, I would like to ask the witnesses if they do not feel that most of the problems in that regard in private stations can be explained by the fact that they attempt to reduce expenses as much as possible to retain profits as much as possible. Their position requires them to do so.

Have our witnesses given any thought to the possibility of imposing regulations on private stations? Could they not be forced to spend a fixed percentage of their income or profits on production and programming? Is that a possibility to which they have given any thought?

(*English*)

Mr. ANDRAS: Well I would have to think about that, Mr. Chairman. I would be inclined to say first of all that I agree with Mr. Pelletier, that as we see the problems with respect to the private stations, it is the fact that they are private stations and that they exist to make a profit. I would say that as a matter of public policy their freedom to make a profit is, in theory at least, somewhat restricted—restricted by public regulations. This is not unique for broadcasting stations; it is also true of other kinds of privately owned institutions which are subject to public regulation. There is a conflict between the tendency to maximize profit and the public policy to provide a service of a certain quality. I think this is reflected, for example, in the requirement of Canadian content.

I have been hedging all along in trying to make up my mind how to answer your question and that is why I am taking so long to reply. It is really a very practical question of business administration in a sense. Do you say to them, "You must have 55 per cent Canadian content", which means almost automatically spending more money in a good many cases than they would spend anyhow; or do you need, as an alternative, a formula saying, "You must spend as the co-operatives spend", for example, a certain amount of their patronage dividends on education. In this case the question was: should they spend so much of their profit on good public programs that they might not have otherwise introduced. I am thinking perhaps it should not be so much a question of profit as a question of proportion of revenue, which is probably a better way of doing it, because I think there is a vast difference between revenue—I rely on Mr. Jamieson to correct me if I am wrong—and profit. I am not a business man; I extract money from business professionally by advising people how to do so. My inclination would be to modify Mr. Pelletier's proposal to this extent: that there should be some requirement to allocate a certain proportion of the resources of the station toward programs which are commercially not feasible but which are in the public interest.

Mr. JAMIESON: I have a supplementary, just for Mr. Pelletier's enlightenment, since you asked. The problem with this formula is, of course, that every Canadian, in theory at least, ought to be entitled to the same level of programming—at least a minimum level of programming. Many stations are far more profitable than others. The application of either the revenue percentage or the profit percentage would mean, for example, if properly imposed, that in large centres where stations do much more it should follow that the audience in that area would get a better standard and quality of programming than would be the case in a limited population rural area. This is the reason for this formula. We have never been able to find a way to make it work effectively.

Mr. PELLETIER: It is already the case.

Mr. LAIDLAW: May I observe that one of the reasons that we must have a public broadcasting system is to get over the very difficulty that Mr. Jamieson describes, because we believe that Whisky Gap deserves somewhat the same standard of broadcasting as Toronto or Montreal.

The CHAIRMAN: They would not have the same alternative, I think Mr. Jamieson is suggesting, as the city people would.

(*Translation*)

Mr. DANDENAULT: If we answered your questions as we would like to, I think we would be running into trouble from certain quarters, however, I do feel that it is quite logical, taking into consideration that the airwaves are limited, and secondly, that they are common property, it does appear to me, if I remember rightly, with regard to the Bell Telephone Company, I think that private corporations in this area should be limited to marginal or to a percentage of profits. In this way, the people who wish to venture into that field, would be attracted by a desire to serve the public interest, a taste for finer things, good programming, higher standards; they should I believe be attracted as much by these considerations as by the idea of profit. I think that the overriding profit consideration makes the system bad. Does this answer your question? It is my opinion.

Mr. PELLETIER: Quite. I put the question, because I do feel, as far as I am concerned, that the excellence of quality standards in the private sector cannot be divorced from profit considerations. I was a little surprised to find in your brief no reference at all to the character of advertising and to the nature of certain broadcasts or telecasts. The question was put to just about every group which appeared here before the Committee. They were asked if they had any objections to the open-line type of program for instance. We heard all varieties of answers, some people told us that open-line in radio was the equivalent of letters to the editor in the newspapers. I would submit that there is, however, a considerable difference because newspapers can check the identity of the person who writes to the editor. They can check the address and I do know from personal experience in newspaper work, that $\frac{2}{3}$ of the letters we receive are sent to us by people who use fictitious names and addresses. This is not possible in radio because these programs are broadcast live. In some cases, in the Montreal area, people called and said, for instance, that they were a Minister of the Provincial Government and asked questions discrediting that Minister; legal action was possible. But as you know full well, legal action is not perhaps the

perfect remedy in instances like that. I would welcome any comments with regard to the standard of competence to be required from these people used on open line programs. Some, I feel, are launched upon veritable anti-educational campaigns and (2) do you have any views on the danger of libel which exists because of the fact that a radio station in this type of programming, is incapable of checking the identity of the people who phone in.

(*English*)

Mr. LAIDLAW: Mr. Chairman, I shall attempt to answer Mr. Pelletier's question, but frankly the Broadcasting League has not got down to the specific problem of open line broadcasts. We have not discussed it; we do not have a policy statement on it. But, personally, I feel that it would be a mistake to circumscribe broadcasting in such a way that we would eliminate something that is creative, innovative, interesting or informative. And if open line broadcasts can be conducted in such a way that they measure up to certain standards of broadcasting, I would hesitate to eliminate them. Personally, I have listened to open line broadcasts; I liked them and I thought that they were conducted quite well. But obviously if an open line broadcast becomes objectionable, or that it uses illegal means or is open to libel, of course there should be some way to discipline them; and again, we think that the proper body to do it is the Board of Broadcast Governors, your broadcasting authority. I would hesitate to say that you cannot have any open line broadcasts, because it might be a very, very exciting and interesting way to present certain material.

(*Translation*)

Mr. DANDENAULT: I share Dr. Laidlaw's views, however, technically, we could possibly establish a procedure whereby the broadcasts could take place; instead of being broadcast live they would be pre-recorded so that a prior check could be made and possibly, some eliminations.

Mr. PELLETIER: But the very nature of this broadcast prevents it from being broadcast live because the accumulation of questions develops when people hear other people and phone in. An extensive public is involved, that is why it has to be broadcast live. This, I feel, is a very serious matter.

(*English*)

The CHAIRMAN: I think Mr. Rousseau wants to add something.

(*Translation*)

Mr. ROUSSEAU: I believe that in this area as in broadcasts of a delicate nature, the League does feel concerned about standards or quality control. Obviously mistakes will be made, and some attempts will be conclusive, but whether we are dealing with the CBC stations or whether we are dealing with a private station, this is not a matter for censorship. This is evidently a matter of checking to see whether in these controversial and delicate matters, the stations have exercised sound judgment. The BBG should be empowered in such cases to remind them about standards of good taste and the policy they should follow. I believe it is quite difficult to legislate or to regulate very strictly in this regard and this should be a matter for BBG control.

Mr. PELLETIER: One last question, Mr. Chairman. I would like the League to explain to us a little more clearly how it thinks that it would be possible for the

BBG to pass judgment on funds granted to the CBC. How can this operation be carried out by the BBG? Do they feel that the BBG should recommend yearly that an annual sum of such and such an amount should be given to the CBC, or would the BBG act on a report submitted by the CBC, or should, on the contrary, the BBG base itself on its own knowledge of the needs of public broadcasting? I am trying here to understand how this would be carried out, the actual mechanics of the thing.

(*English*)

Mr. LAIDLAW: Well, I am afraid I will have to attempt an answer off the top of my head, so to speak. In our view of the broadcasting structure, the BBG would exert a continual appraisal of the performance and, if in its judgment, it finds that the CBC is not able to do certain types of programs because of inadequate funds, or is not able to provide the coverage that it should give to cover the country properly, or that there are certain types of broadcasting in which there should be more experimentation and the CBC cannot do it, then obviously the BBG should say to parliament in its annual report: "If this sort of thing is going to be done in Canada by the public broadcasting sector, certain types of educational broadcasting, certain types of reporting, certain types of public service broadcasting, certain types of coverage, and so on, obviously the BBG in its annual report will say to parliament, 'If this kind of service is going to be given to the Canadian people, you must increase the CBC's budget by X number of dollars' because this is an area of broadcasting that has not been done, or has been inadequately covered, and the CBC must have additional funds.

Mr. PELLETIER: But, Dr. Laidlaw, do you make it mandatory that the request for money comes through the BBG—

Mr. LAIDLAW: No.

Mr. PELLETIER: —or do you just give the power to the BBG to make supplementary recommendations, if it seems this would be a good thing. In other words, do you change the circuit? Would the CBC have to go through the BBG to present its estimates to the department and then to Parliament?

Mr. LAIDLAW: Oh no. The CBC as a Crown Corporation should be answerable to Parliament, make its financial report to Parliament, and should request funds directly. But in assessing the over-all performance of Broadcasting the BBG might see fit to supplement the request of the CBC by saying that certain things need more money to be properly done. But no; in my view it would be quite improper to have all requests for funds required by the CBC come through the BBG.

Mr. JAMIESON: Would Mr. Pelletier permit a short supplementary? Is the corollary of that, Dr. Laidlaw, the fact that the BBG would have to have the authority to determine whether the CBC was expending its existing funds properly? In other words, would this not require that the BBG have a pretty good working knowledge of the internal functions of the CBC.

Mr. LAIDLAW: Yes, and I think it should. Again, following our concept of the BBG as an over-all authority, it should have the right and should be expected to tell parliament that certain funds of the CBC would be better expended or should be spent in a different way.

Mr. DANDENAULT: In other words, the BBG should have some powers of investigation and control. For instance, it should have the power to request the budget of such and such an *émission* or things like that as they see fit—

(*Translation*)

—taking into account quality of broadcast, quality of the production and the cost. We should see to it, that there would be some kind of equilibrium here. At this moment, on the CBC, there are broadcasts, which, to me, cost far too much. In other cases, I think some are much too cheaply produced.

(*English*)

The CHAIRMAN: I think Mr. Rousseau wanted to add something.

Mr. ROUSSEAU: I think—and you can correct me if I am misstating the position of the League in any way—the brief refers to supplementary recommendations on the part of the BBG, particularly in relation to the advertising content and this would obviously affect the quality of performance to some extent if we keep in mind the other comments which were made earlier with regard to advertising. But there is also another area, for instance, where there would be an obvious need for the BBG to have the power to make some supplementary recommendations; for instance, in the field of the extension of the CBC's network or the CBC's ownership of stations resulting from the granting of licences. This is an area where I believe the BBG is in a much more authoritative position than anyone else, knowing to some extent whether the policies of the BBG will allow the extension of the networks in the light of the new legislation which will be forthcoming. I think basically the position of the league is not to change the status quo in that particular aspect. The BBG and the CBC both report to Parliament through the same minister, so basically we are not suggesting for a moment to alter that.

Mr. JAMIESON: No. But I suggest there is a very profound difference in what the gentleman recommended with regard to investigating the cost of individual programs. It would seem to me at least that this is usurping power of the board of the Canadian Broadcasting Corporation. This is an internal matter and I think where the whole thing gets very hazy is when you try to determine the responsibilities of the BBG and the CBC.

Mr. LAIDLAW: Mr. Chairman, how much longer are our proceedings going on?

The CHAIRMAN: As long as you and the members wish.

Mr. LAIDLAW: There is one point that I would like to make before we rise. It is obvious from the channels in which our presentation has followed and the views that we have expressed here today that we are picturing in the BBG, as proposed under the new legislation, a fairly powerful body. It is going to be a body that is clothed with considerable authority which will have a profound influence on a very important sector of Canadian life. Some people may see a danger in such a body—that it may restrict our views of Canadian freedom and so on—but we in the League believe that we do need such an authority in the BBG, and if broadcasting is going to make the contribution to Canadian life and culture, and Canadian development that it can and should, we do need such an

authority, even though we do clothe it with considerable power over the broadcasting media. I think we might as well accept that as a necessity in modern life. Here we have a very powerful instrument, a very unique thing, different from the printed word, as we all know, and if it is going to make its maximum contribution to Canadian life we must have it conducted, controlled and regulated in such a way as to ensure that the Canadian people get the maximum return from their investment in broadcasting. We feel that they are not getting the maximum return from their investment today. After all, the Canadian people: the viewers, the consumers, the persons who sit in their livingrooms and watch TV and who have purchased television or radio sets, have the biggest stake in broadcasting; they have the largest investment in broadcasting—a much heavier investment than the broadcasters in this field. We feel that the Canadian consumer is not getting the maximum return for his investment today, and it is within that sort of thinking and that concept that we think that we need in the Board of Broadcast Governors a body that is clothed with considerable auhority and power.

(*Translation*)

The CHAIRMAN: Have you finished, Mr. Pelletier?

(*English*)

There are still two members who would like to question you, ladies and gentlemen, and we can proceed here for some time unless the Committee wishes otherwise. Mr. Sherman is the next on my list.

Mr. PRITTIE: We will stay, Mr. Chairman, as long as members want to ask questions.

The CHAIRMAN: We are quite prepared to stay now or come back later in the day. I think Mr. Sherman and Mr. Munro still would like to question the witnesses.

Mr. SHERMAN: Mr. Chairman, I have no wish to inconvenience any members who may have some commitments at this time.

The CHAIRMAN: Is everyone available for the next hour?

Mr. SHERMAN: I would be quite agreeable to coming back this afternoon.

The CHAIRMAN: Please proceed now.

Mr. SHERMAN: There have been so many things said this morning, Mr. Chairman, that it is difficult to resist the temptation to comment rather than to ask questions. I think, in all fairness to the witnesses from the League who are before us, that I should say I disagree philosophically with almost everything that is in their brief. However, I respect their right to submit their arguments and commend them on the forthright manner in which they are submitted.

I am sorry Mr. Kirk has gone because I was interested in a point that he made very early in the proceedings. Perhaps Dr. Laidlaw or Mr. Andras could carry the ball for him when I ask a question arising out of one of his statements. He said—if I am not misquoting him—that the League does not think that if we had two systems they will operate effectively—that the over-all combination would be effective, that the League is in favour of a single board system and

would like to go back to the old system. It seems to me that there is a subtle question involved here. The old system was the system, as we all know, whereby the CBC board of directors was the final authority on broadcasting questions. The White Paper, the League's brief and the deliberations this morning have concerned themselves with the role of the BBG in a position of authority. There has been nothing said about whether the CBC board of directors should be reconstituted in the authoritative form it once enjoyed. Mr. Kirk said that the board favours a return to the old system and that would be the old system. Sir, would you enlighten me on that?

Mr. LAIDLAW: I think that what Mr. Kirk said was that he felt, and we feel, that the old system basically did not have very much wrong with it. The authority was clear; it was lodged in a public body appointed by Parliament. Mr. Kirk said that we accept—I think he said: "It is in the cards." That is, we are not assuming that there will be a return to the old system, so what we are taking and accepting is the idea of control by the BBG in very much the same way as the former board of the CBC exerted their power. But Mr. Kirk did not say that we want to return to the old system; he said: "We believe that the old system was all right but we accept the two-board system now." All he was saying is that we do not want a two-board system by which the CBC board regulates the CBC and the BBG regulates the private stations. That is what we would be opposed to.

Mr. SHERMAN: Then, I read to much, sir, into both the League's brief and the League's public protestations if I assume that there is a yearning for a return to CBC-directed control, for control in the hands of the CBC—a quasi-CBC body. I read too much into your brief if I infer from it that really this is what the League would like to see.

Mr. LAIDLAW: I do not think that we have suggested in our brief—

Mr. SHERMAN: No; this is just an inference that I take from it in the discussions this morning.

Mr. LAIDLAW: There are certain things that we accept in broadcasting as part of life. Many of us in the League feel that if we were to return to 1928 or 1929, when some of these decisions were being made, probably we would like to have a different kind of broadcasting and a different system. But we accept what has taken place and we are prepared to accept the demise of the CBC board as the over-all functioning authority, which it was before 1959.

Mr. SHERMAN: Dr. Laidlaw, you said at one point in your testimony that you believe, and you feel that the League believes, in the principle of alternative viewing advanced as far as possible. You suggested that if football is appearing on one network or one channel in a given community that there should not be a football game carried on the so-called alternative network or channel. I wonder, how you envision control over this type of program. This suggests to me the creation of an office of a programming czar with over-all authority for the programming; and with respect to any networks that now exist in the Canadian broadcasting industry and may come into existence in the future, whether it be three, five or seven, their programming offices and officers will become super-numeraries and it will become an academic function because the programming would have to be in the hands of an over-all czar if they are going to ensure that

a football game or a public affairs show on one channel, if you like, did not run against a public affairs show or a football game on another channel. As you no doubt know, sir, the very essence of competitive programming and competitive broadcasting is that you do not run, if it is at all possible, the same type of program at the same time as your competitor. How would there be any freedom left in broadcasting at all, if this type of programming were to be deemed desirable?

Mr. LAIDLAW: First, we in the League have always maintained that all network controls should be under a public authority of some kind, that they should not be under private control. The reason was not simply for alternative broadcasting but more basically because we believe that a network as such is too powerful an instrument to be in private hands in any country.

Mr. JAMIESON: Mr. Chairman, may I ask what a network is? I am very serious. This is a very important point.

Mr. LAIDLAW: A network is a hookup to provide simultaneous broadcasting over a certain number of stations at the same time.

Mr. JAMIESON: Every imaginable authority predicts that within a matter of five years—and it has already happened in about 50 per cent of the cases—there will be no such thing as a physical hookup any more in terms of network concept because various other things, such as tapes, will replace them. I suggest that the idea of a network is something which itself requires re-thinking.

The CHAIRMAN: That is fine. Did you have another point that you wanted to make on this programming question. Dr. Laidlaw?

Mr. LAIDLAW: All that we maintain in the League, Mr. Chairman, is that if a public body maintained network control—I do not know just how we are going to define network—this power to broadcast simultaneously on a number of stations, it would ensure the kind of programming that we think the system can and should provide.

Mr. DANDENAULT: The CBC has all the network.

Mr. JAMIESON: I do not mean to intrude but I think you are wrong. The CBC has a minimum of four and possibly five delay centres now so that the network has merely become an electronic means of delivery. The vast majority of the programming travelling east and west out of Toronto and Montreal is delayed for the various time zones. This has become more and more the case because it enables more flexibility at each one of these delay points. The idea of simultaneous release except for news and sports events has virtually disappeared.

Mr. DANDENAULT: Basically it is the same.

The CHAIRMAN: Do you wish to continue, Mr. Sherman?

Mr. SHERMAN: I am a little hazy on how this programming would be controlled and how an ideal climate of programming could be created and yet how a semblance of private broadcasting and private enterprise in the broadcasting field could continue to exist in that kind of environment but I suppose it is perhaps unfair to ask you to spell out the formula in this particular context this morning.

Mr. ANDRAS: I should not talk out of turn, but I think that the principle the League has tried to put forward over the years is that the private and public systems should complement one another rather than duplicate one another, and I think that the price the public pays because of duplication is a reduced opportunity to obtain variety. Dr. Laidlaw was using the example of three football or hockey games or something simultaneously. This is not the only illustration he could have used. If you were to examine, as I am sure you do, an evening's array of programs on say the two English-speaking stations here in the city of if you come from a larger community you will have several, you will find that in order to see one favourite program you sacrifice another.

Mr. SHERMAN: I quite agree.

Mr. ANDRAS: I think this is to some extent unavoidable but not completely so. This is a problem that plagues the American system for example, and it has been critized by American writers.

Mr. SHERMAN: I quite agree but if you are a private broadcaster, as soon as I ask you to complement another system rather than compete with that other system, I take away your right to run your business and your industry and to operate in terms of your own investment, and you sacrifice that to some sort of an argument or philosophy which purports to devolve from the so-called public good. I inhibit your right to freedom as a business man.

Mr. ANDRAS: I will give you a dual reply to that. No business in Canada enjoys absolute freedom because all of them are circumscribed by statutes and regulations. In the case of broadcasting there is such an element of public interest that the parliament of Canada right from the start, has recognized that it must intervene more in the public good than it would in the case of a shoe factory, a packing plant or some other kind of a private enterprise.

Mr. SHERMAN: Well, I will grant you that this is valid on certain levels but when you are talking about programming in broadcasting you are talking about the essence of making a broadcasting station work and succeed. Someone referred to the yellow press, to the scandal sheets that are available on newstands and said that there are obvious differences between the *Globe and Mail* and the type of thing that you find hidden away in the second back rack of a newstand. Although nobody in this room would disagree with that point, there are not discrepancies and there are not disparate types of operation in broadcasting of that nature. Broadcasting always has been subject to some sort of control whereas print journalism and the press has not been. There are a great many vehicles and media in print journalism that appeal to the prurient interest, they are pornographic if you like. This is not possible in broadcasting, and I do not think anybody in this room thinks it should be. So you have to have a basic philosophical form of regulation; but after that, when you get into programming, you are getting into what makes it possible for me to make my station work, to make it successful. If you tell me that I have to run a certain show at a certain time it may destroy my programming structure for that entire day.

Mr. ANDRAS: I am sure. I understand your point. I think that there is a fear in the bak of your mind—and perhaps I should not put words in your mouth this way; you will forgive me for it I am sure.

Mr. SHERMAN: There are many fears there, sir.

Mr. ANDRAS: Well, that is bad. I think from what you say that the presumption is there that in seeking complementarity—it is an ugly word but it is the only one I can think of—the CBC will always come off first and the private station always second. I think this is an unwarranted assumption. I think that once you agree on the principle that the stations or the systems should complement rather than compete in the way we have described, there should be equity in the arrangements concerning the process itself.

Mr. SHERMAN: No, I do not fear that the CBC will always come out first.

The CHAIRMAN: Dr. Laidlaw wants to speak, and Mr. Dandenault wants to comment as well.

Mr. LAIDLAW: I just want to state briefly, Mr. Sherman, that a broadcasting licence is a very special thing. It is not the same as other types of permits or licences. It is very special because although it is not an absolute right it is the extension of a public trust, and when a private broadcaster gets a licence it is not the same as a charter to run a business; it is simply a temporary permission given to him in public trust because he is getting something that is very, very precious and something that is very limited, an airwave. If a man is given the privilege to run a bus line, he should run the bus service in such a way as to accommodate and look after the public. In the same way, a man who gets a broadcasting licence is given a very special trust and he should run it in the public interest because it is a public trust.

Mr. DANDENAULT: May I give an example to clarify this. A French private station in this area was playing cowboy songs in the morning from seven to eight o'clock and at the same time, when the CBC radio station was opened in this area they used to play classical music. An order was given, because of the rating, not to play any more classical music, which reduced the standards.

Mr. JAMIESON: The order was given to the CBC?

Mr. DANDENAULT: That is right. They switched to French songs, and two months after they were broadcasting cowboy songs too. In my opinion, this is a big mistake. And the same problem arises when the CBC wants to compete, having only ratings in mind.

Mr. SHERMAN: I do not have any argument with the philosophy expressed by you, Dr. Laidlaw, with respect to this sacred trust, if you like, that a broadcaster in this country carries. I do not know anybody in the broadcasting industry, and I doubt that you know anybody in the broadcasting industry, that would argue that point with you. I think that 40 years ago it might have been necessary to emphasize that point. I do not think it is nearly as necessary today.

Mr. LAIDLAW: I think, Mr. Sherman, that you will admit that there are some broadcasters who are not carrying out their trust very well.

Mr. SHERMAN: I have not in my experience encountered any who consciously are failing to carry out their trust or who are purposely failing to carry out their trust. There are certain financial exigencies, as you well know, that make it necessary perhaps to proceed at a slower pace in some areas than one would like, but I know of no one who is purposely avoiding or failing to carry out this

particular trust. You may do. Perhaps I should withdraw the suggestion that I doubt you do but I can assure you that I know of none, sir. This leads to a point on page 6 of the brief, which I do not want to come to for a moment. I do want to ask you about a point with respect to licence applications before I am finished. I would like to comment on a point that Mr. Andras mentioned a moment ago but it escapes me for the moment. Perhaps it will come back to me while I ask you about competition between the CBC and the private stations. You just mentioned, sir, that in order to compete, from the point of view of ratings, it seems to you that the CBC always has in effect to lower its standard, to lower its listenership, or viewership standards.

Mr. DANDENAULT: In that case.

Mr. SHERMAN: Yes. There is probably a good deal of truth in that suggestion, but it does not necessarily prove that the original form of programming that the CBC employed, before it lowered its standards to compete, was better than the other programming in the market with which it is competing. I believe that the decision rests with the viewer or listener and there are innumerable examples in this country where a private broadcasting outlet has moved into the market which was formerly the preserve of the CBC and has, in a very short period of time, captured for itself the dominant share of the market. It seems to me that this decision is made quite freely by the general viewing and listening public. If its their decision, then, although from an academic level you can say that the CBC is lowering its standards it could be argued from the public's point of view that they are improving their standards.

Mr. DANDENAULT: You are right, but I think it can be assumed firstly that not all the public wants to listen to westerns or to cowboy songs. I would like to ask you a question. Suppose that in this area, in Ottawa and surroundings, there would be place for only two newspapers. Would you allow them both to be *Saturday Night* or—

Mr. SHERMAN: If there was room for only two newspapers, or one newspaper or ten newspapers,—

Mr. DANDENAULT: You would let them be free of that.

Mr. SHERMANS —my attitude towards them would be hands off, sir.

Mr. COWAN: Is there something wrong with freedom of the press?

Mr. DANDENAULT: No, No! Suppose that with broadcasting there would be a limited possibility. Would you let them free to be both *Saturday Night*.

Mr. SHERMAN: I feel that I would be presuming something if I assumed I could allow them to be anything; provided they were not breaking the laws of the land, they are entitled to be whatever they want to be.

The CHAIRMAN: I think possibly we are getting into the area of debate between the witness and the questioner. Perhaps this is unavoidable in this area.

Mr. SHERMAN: May I just make one more point. I remember now what I was going to say Mr. Chairman. Ladies and gentlemen, with respect to standards in principle, none of us in this room needs to be reminded of the outcry that accompanied certain episodes in public life that were being presented last spring

by the CBC television show, "This Hours Has Seven Days". You can tell me, Dr. Laidlaw and Madam, that a great many of your friends say, "Well, Festival is coming on, is that not wonderful. That means that we are not going to have any commercials; this is going to be a wonderful program of entertainment and this is the type of thing we want". I have heard just as much criticism of the CBC, perhaps more: just as much unhappiness over the CBC last spring and summer with respect to what it was doing on "Seven Days", as, I am sure, you have ever heard with respect to a few singing commercials or jingles that you might hear on the private stations. I would submit and suggest that no private station, responsible to sponsors, would have carried some of the episodes that appeared on "This Hour Has Seven Days". I am holding no brief, one way or the other, but I do think that the knife cuts both ways and that a good many of the programs, particularly in the area of public affairs on the CBC, have taken at times a certain slant, a certain direction and a certain camp—and I have said this in the House—that would not be permitted if they were responsible in any way to members of the community and sectors of the community that had a genuine interest vested in them. I think there is a double threat involved here.

Mr. LAIDLAW: Mr. Chairman, Mr. Sherman, I would like to make it clear that the Canadian Broadcasting League never puts itself in a position that it is going to defend everything the CBC does, not at all. We are out to defend the principle of the public sector of broadcasting and the system which we describe as the single system. Personally, for example, I maintain that the CBC has one of the finest radio broadcasting systems in the world, but that its TV broadcasting leaves a great deal to be desired.

Mr. SHERMAN: It is much better since private television began to compete with it.

Some hon. MEMBERS: No, no.

Mr. PRITTIE: Oh, oh!

Mr. SHERMAN: It is a suggestion.

Mr. LAIDLAW: Certainly, it is not the competition of the private sector in broadcasting that has upgraded the CBC. If anything, it is the influence of the private sector and the drive for commercialism that has downgraded television, because I maintain again that the radio broadcasting of the CBC is about the finest in the world, but the influence of commercialism has been the downfall of CBC in television if you want to put it that way.

Mrs. ELLARD: In some cases.

Mr. LAIDLAW: Yes, and let us remember that the CBC does some very fine broadcasting in television, but the pressure that is being put on the CBC—a great deal of it commercial pressure—is downgrading this.

Mr. SHERMAN: My suggestion was simply that, a suggestion, and it reflects my point of view in respect of competition, sir, which is diametrically opposite to yours; but where does the grading come in when you say the CBC has had to downgrade itself and downgrade its performances. If that is true, the Canadian public had demanded this because it has been exposed to different types of entertainment. The CBC is obviously trying to compete with something.

Mr. LAIDLAW: Yes. Let me make it clear that we want variety in broadcasting; we want entertainment in broadcasting. The Canadian Broadcasting League is not all long hair and culture; that is not our view of broadcasting. We want to see in broadcasting a great deal of light entertainment, light music, and variety above all.

Mrs. ELLARD: And education.

Mr. LAIDLAW: And education, but we feel that CBC television could do much better. Certainly it is not the competition of private broadcasting that is going to improve the CBC.

Mr. SHERMAN: I disagree; but I do agree with you that we want much better: we want much better from the CBC; we want much better CTV; we want much better from all of us. I think we could argue this point of competition philosophically to no one's advantage. Perhaps I had better move on, Mr. Chairman, to another point.

Ladies and gentlemen of the League, in the last paragraph on page 6 of your brief, you make reference to the procedure of licence applications and the undertakings that are given by private broadcasters in applying for the granting or renewal of licences and your brief suggested that the BBG should effectively require compliance by stations with the performance standards laid down by the board. I wonder, members of the league, whether you make this suggestion with a backward glance or with a forward glance. Are you concerned, for example, with the second private television stations that came into existence in Canada in the early 1960s and their performance, or are you thinking in terms of future applications? Are you thinking in terms of the third station applications that will be coming forth. If so, I suggest that it might be more practical to lay down some guidelines that simply request the licence applicants to make more practical and more realistic presentations, rather than asking the Board afterwards to see that they live up to all these promises and pledges. A good many grandiose promises pledges and undertakings were given in 1958 and 1960, because at that time nobody in this country, in terms of television, had any experience whatever. The only criterion that we had was the criterion of the CBC, and those of us who were subsequently engaged in the field of private television had to discover our mistakes as we made them. One of them was that we did not need anywhere near the staff that we thought we would need and we based our original estimates on CBC staff establishment. I think, perhaps the experience we have gained on both sides should lead us to suggest that in the next round the stations make more realistic applications, rather than have the board rule afterwards whether they have lived up to their promises or not.

Mr. LAIDLAW: Earlier in the day the *Globe and Mail* was quoted a couple of times in another context. I would like to quote just a short passage from an editorial in the *Globe and Mail*, not a year ago. It said:

> It (the government) has seen the BBG award radio and television licences on promises of the most splendid performances; it has seen those promises broken; it has seen the BBG cancelling mighty few licences.

Mr. SHERMAN: It would be presumptuous of me to ask whether you have ever discussed this with Dr. Stewart; I am sure you have, but he is a classic example of a man of intelligence and integrity, who found himself confronted

with a situation about which he knew very little, and admitted it, and about which today he knows a great deal. All people connected with private television, both on the side of the applicants and on the side of those hearing the applications in the late 1950's in this country were operating in a vacuum of ignorance. Nobody knew what was going to be required.

Mr. LAIDLAW: On that point I would like to make this statement. The private broadcasters who went into the broadcasting industry, who applied for a licence and made these promises, went into it with their eyes open. In many cases they found that they could not live up to these promises. In any other private business in this country, when a man finds that he cannot make a profit, the business goes bankrupt. In the case of many of these private broadcasting systems instead of allowing the broadcasting company to go bankrupt or take less profits, the broadcasters were allowed to lower these standards and to go out and find the cheapest canned programs that could be put on the air. This to my mind is direct defiance of what we call the free enterprise system. The broadcasters who went in with their eyes closed then turned to the BBG and cried, "We cannot make money".

Mr. SHERMAN: Let me ask you this then, sir, which is actually the question that I wanted to come to. Do you think that Canada and broadcasting in Canada would have been better served if in the past five years a lot of those licences had been revoked because those private operators had admittedly failed to live up to their original promises.

Mr. LAIDLAW: Yes.

Mr. SHERMAN: You do?

Mr. LAIDLAW: Yes; just the same as, for example a bus company that cannot operate its system, that cannot maintain its buses, that cannot run them on time, should have its licence revoked, or its franchise taken away. In the same way, I think that a broadcasting company that cannot live up to proper standards should have its licence revoked.

Mr. SHERMAN: And yet, as you know, on the 29th of this month CTV is doing a major Shakespearean production. From a financial point of view they are only now able to move into this field of operation. Presumably and hopefully they will over the course of the next few years do much more. Would you have been willing to give them that time? I have asked you whether you think broadcasting and the nation would have been better served.

Mr. LAIDLAW: Obviously, it would not be fair to comment without giving them a chance to improve and explain their position. Any broadcaster who shows in good faith that he is trying to improve his broadcasting—by the way, I want to give full marks to the private broadcasters in Canada who are providing their communities with good quality broadcasting. We want to make that clear, and we have always said that there are private broadcasters who do a good job and are carrying out their trust well and we commend them for it. If they make some profits on the side that is all right with us. The broadcasters who obtain a broadcasting licence but—over the years—do not live up to the trust that is given to them when they obtain a broadcasting licence should have their licences revoked.

Mr. SHERMAN: Mr. Chairman, I have one final question which I should like to address to Dr. Laidlaw or his colleagues. Your brief does not appear to mention the league's position with respect to cable television and community antenna systems.

Mr. LAIDLAW: We have no official policy.

Mr. PRITTIE: Do you approve what the White Paper says?

Mr. SHERMAN: Does the league feel this medium should be brought under control of the BBG. Are you opposed to this new medium insinuating itself into the community?

Mr. LAIDLAW: No. It is the same as colour television. For example, five years ago when the BBG held hearings on colour television we said at that time that we opposed its introduction because we felt it would burden the Canadian people with a great expense and we had not exploited all the possibilities of black and white. We felt that colour television should be postponed for a while. I believe, however, we would not take that position today and we did not take an official position on cable service. All we say now about cable service is that it should be under the control, like all the other components of the system, of the broadcasting authority.

Mr. SHERMAN: Are you worried that certain markets, particularly in western Canada, would not be able to sustain the competition and that the existing CBC or the CTV stations might find it difficult to survive because of the competition that would be introduced into the market?

Take my own city of Winnipeg as an example. Cable television is brought up from North Dakota. At the present time the Winnipeg television market includes four stations and that is quite a lot for a community of half a million. One station is French, one is American, one is CBC and one is CTV, and if cable television comes in, as it is apt to do, all the U.S. networks will be available.

Mr. PRITTIE: That is free enterprise.

Mr. SHERMAN: No, I am asking. I am interested in the League's point of view. Are they in favour of it?

Mr. LAIDLAW: There are certainly some unforeseen technological changes coming into the industry and we think that is one of them. We do not know what the ultimate effect of cable service is going to be on television, but we maintain there is something very precious and valuable in an all-Canadian service and in some way or other we must preserve it from going down the drain or something very precious is going to be lost.

Mr. MUNRO: Mr. Chairman, I shall try to be brief and restrict myself to only one aspect of the matter. The league makes a very general statement as to their position on the question of ownership of television and radio. They support the White Paper although the White Paper is not too explicit. I wonder if the league would expand somewhat. I take it that the league is concerned with the degree of concentration of ownship in the broadcasting field. Is that so?

Mr. LAIDLAW: What is your reference, Mr. Munro?

Mr. MUNRO: I am looking at page 7. You may refer to elsewhere in the brief although I have not been able to find it. You refer to the policies laid

down by the White Paper on the question of ownership of Canadian facilities. You deal with community antenna television with which I am not particularly interested. You also say that the White Paper deals with questions of ownership of Canadian facilities and this is supported by the league. That appears about four or five lines down on page 7.

Mr. ANDRAS: I think Mr. Kirk touched on that point earlier. I do not think you were here at that time, Mr. Munro. The league has been opposed to a privately owned network or system. It may be that this is not the answer to your question.

Mr. MUNRO: No. For instance, the White Paper makes some reference to the fact that a concentration of ownership is taking place in the newspaper field, and that the owners of that medium are moving into the broadcasting field and acquiring interest in licences. Some chains in the newspaper field have acquired interest in several broadcasting licences. To what degree does the league have concern in this field? What is your opinion of this trend, if it is a trend?

Mr. LAIDLAW: That is one reason why we feel these should be, at least in the public sector of broadcasting in the CBC, some protection of our Canadian system for the Canadian people.

Mr. MUNRO: I appreciate that and I think we have gone into it. Assuming that private broadcasting is here to stay, at least in terms of alternative television or a second network, if you will permit me to use the expression loosely, and that private licences will be issued, to what degree are you concerned with respect to the concentration of ownership of those private licences? Do you feel there should be some kind of governmental formula to dictate the number of licences that any one interest can hold?

Mr. LAIDLAW: In our view, although I am not sure that we have any specific statement on this point, it would be very dangerous to have the ownership of a number of radio stations and a number of newspapers, for example, concentrated in a few hands. In other words, we would shudder at the thought of one or two chains owning a number of broadcasting facilities and newspapers right across Canada. This would place great power in the hands of private interests and that is why we oppose private ownership of the network system. We think the ownership of private stations should be dispersed as widely as possible. One of our concepts from the beginning has been that private stations should be in the nature of community services supplementing the national service, and certainly to have a chain take over a number of radio stations or television stations would we think, be a very dangerous trend.

Mr. MUNRO: Let us forget the newspaper chains entering the broadcasting field and just look at the broadcasting field itslef. Does the league have any opinion on the degree of interest that any one corporation, let us say, should have in terms of outlets and licences? Do you have any opinions to advance to the Committee on what formula could be used to regulate the interests, outlets and licences that any one corporation solely in the broadcasting field should be allowed to have?

Mr. LAIDLAW: I think we would hesitate to name a cut-off figure, as to say for example, that no company could own more than 20, 10 or 25 per cent, of more than two stations, or something like that. We just do not have any figure. The

general trend is what we would fear. At this point, as far as I know, we have no figure to suggest this is certainly something that should be watched because we would not want to see the same thing happen in the broadcasting field that has happened in the field of journalism.

Mr. MUNRO: I just want to touch briefly on another point. Mr. Chairman. There has been some talk, both by public entities such as the CBC, and private interests, about a third network in this country. I would assume from the views expressed by the Canadian Broadcasting League which showed less than enthusiastic acceptance of private interest in a second network, that you would be less than enthusiastic about private interests obtaining control of a third network.

Mr. PRITTIE: Are you referring to a French network?

An hon. MEMBER: No. Mr. Soble's application I think is what Mr. Munro has in mind.

Mr. MUNRO: Yes.

Mr. JAMIESON: We know what will happen.

Mr. MUNRO: What are the views of the Canadian Broadcasting League in terms of ownership of satellite systems?

Mr. LAIDLAW: We would be opposed to private ownership of such a facility.

Mr. JAMIESON: Why?

Mr. LAIDLAW: As I said before, for the same reason that we oppose private ownership of post offices.

Mr. JAMIESON: I do not think the analogy is correct.

Mr. LAIDLAW: It is not too far-fetched.

Mr. MUNRO: Mr. Chairman, I am now going to touch on something Mr. Jamieson raised. Mr. Jamieson was talking in terms of the type of disciplinary action the BBG and you envisage the BBG as a very strong body indeed, could take against the CBC if they found it was not living up to the standards laid down. It was suggested that there were several avenues that the BBG could follow in taking action against private interests. I would think, in terms of the BBG assuming the functions that you would propose, that it would be consistent to expect the BBG, if they felt the CBC were not living up to its mandate, to approach directly the directors of the Canadian Broadcasting Corporation and lay before them the deviation from the standards laid down and ask them to take appropriate action. That would follow from what you have suggested.

Mr. LAIDLAW: I think that would be quite acceptable procedure.

Mr. MUNRO: If the directors of the Canadian Broadcasting Corporation did not see fit to act upon the suggestions and recommendations for changes made by the BBG then would it not be logical to expect that the BBG would make recommendations to the government as to what should be done about the Canadian Broadcasting Corporation or certainly its Board of Directors.

Mr. JAMIESON: The government or parliament?

Mr. MUNRO: In this case I think it is the government by Order in Council that appoints directors of the CBC.

Mr. DANDENAULT: There are some measures that could be used and powers that could be given to the BBG about that. If those, let us say, limited measures are not strong enough, then we feel that the BBG should invite parliament to intervene.

Mr. MUNRO: In other words, in terms of the BBG being a powerful entity, as you are indicating here, if they felt the Canadian Broadcasting Corporation was not fulfilling the standards laid down they would then recommend or issue directives to, if you like, the Board of Directors of the Canadian Broadcasting Corporation and if those directives were not followed, then they could recommend to the government, presumably, that the Board of Directors be removed.

Mrs. ELLARD: If they had the power to do so.

Mr. MUNRO: The BBG would have those powers if it is to be as powerful an entity as you suggest in your paper; would that be fair?

Mr. LAIDLAW: We tried to sort out this problem, I think, Mr. Chairman before Mr. Munro came in and I do not know that we came to any very clear conclusion on it, but all we want to state is that in a general way we are not clear as to the procedure of how it should be done, but that the Board of Broadcast Governors, representing the public interest, representing the citizens of Canada, should have control over all broadcasting. Now, how they carry it out in the case of the CBC, well, we cannot see, but obviously the first step would be to deal with the board of the CBC. It is quite inconceivable in the first place, at least to me, that some sort of solution could not be worked out at that stage.

Mr. JAMIESON: If Mr. Munro would permit me, on two occasions, at least, when the BBG has sought under the present system to give directives to the CBC there has been a complete head-on clash between the two boards. Of course the most spectacular one was on the matter of the Grey Cup.

Mr. LAIDLAW: Yes.

Mr. JAMIESON: So, although it may be inconceivable it has been conceived.

Mr. LAIDLAW: The trouble there, of course, was that the authority was not spelled out under the former legislation. Incidentally, I think in all our discussion today one other fact stands out, namely, that the calibre of our broadcasting system in Canada in the future is going to depend to a very great extent on the calibre of the BBG itself.

Mr. JAMIESON: And of the CBC?

Mr. LAIDLAW: Yes, of course, and all sectors, but especially henceforth it is going to depend to a great extent on the way that the Board of Broadcast Governors conceives of its function and carries out its mandate.

Mr. MUNRO: The only reason I suggested this action on the part of the BBG, was that I personally do not see what other logical course the Board of Broadcast Governors could take, it being given the powers you are suggesting here. I would think—I am just advancing it—that it's quite a power indeed and would almost be analogous to a Board of Broadcast Governors taking action to forfeit the licence of a private broadcaster.

The CHAIRMAN: If there are no further questions, do any of the representatives of the league wish to make any further comment? If not,—

Mr. LAIDLAW: We want to thank you, Mr. Chairman, and members of the broadcasting committee for this opportunity. There is one item that we promised to file with you and we shall do so, I hope, within the next three weeks or so. You want it done before one month. I refer to a statement on educational television.

The CHAIRMAN: I would expect it will be more than one month before we are, perhaps, even into the subject, Dr. Laidlaw. So I do not think it is that urgent but if you could give us your opinions either in written form or by coming back to us at a later date we would be very grateful.

Mr. LAIDLAW: Thank you.

The CHAIRMAN: I am sure all the Committee joins me in thanking all of you for coming this morning. We appreciate this opportunity to get such a view of broadcasting that is representative, to a large degree, at least, of all the various organizations which make up the League. Thank you.

HOUSE OF COMMONS

First Session—Twenty-Seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 36

THURSDAY, JANUARY 19, 1967

WHITE PAPER ON BROADCASTING (1966)

WITNESSES:

From National Community Antenna Television Association of Canada: Messrs. G. A. Allard, President; J. W. Loader, Vice-President; F. T. Metcalf, Past President; I. Switzer, Director; H. D. Shiel, Director; and K. J. Easton, Secretary. *From Community Antenna Television Ltd. (Calgary):* Mr. Jack Davis.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25496—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),
Mr. Basford,
Mr. Béchard,
Mr. Brand,
Mr. Cowan,
Mr. Fairweather,
Mr. Hymmen,
Mr. Jamieson,
Mr. Johnston,
Mr. MacDonald (*Prince*),
Mr. Mackasey,
Mr. Macquarrie,
Mr. Mather,
Mr. McCleave,
Mr. Munro,
Mr. Nugent,
Mr. Pelletier,
Mr. Prittie,
Mr. Prud'homme,
Mr. Richard,
Mr. Sherman,
Mr. Simard,
Mr. Stafford—(25).

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, January 19, 1967.

(54)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Berger, Cowan, Fairweather, Hymmen, Jamieson, MacDonald (*Prince*), Macquarrie, Mather, McCleave, Nugent, Prittie, Richard, Simard, Sherman, Stanbury—(16).

In attendance: From the National Community Antenna Television Association of Canada: Messrs. G. A. Allard, President; J. W. Loader, Vice-President; F. T. Metcalf, Past President; I. Switzer, Director; H. D. Shiel, Director; K. J. Easton, Secretary. *From*: *Community Antenna Television Ltd., (Calgary)*: Mr. Jack Davis.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

The Chairman called Mr. Allard, who, after introducing his delegation, made an opening statement regarding regulating community antenna television systems.

Agreed: That the brief of the National Community Antenna Television Association of Canada, including appendices A to E, be taken as read and included in this day's evidence. (*Note: Appendices J and K also included*).

Mr. Allard was examined on his brief, assisted by Messrs. Loader, Shiel, Switzer and Metcalf.

The examination of the witnesses still continuing, at 12.00 p.m., the Committee adjourned until 3.30 p.m. this afternoon.

AFTERNOON SITTING

(55)

The Committee resumed at 3.50 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Cowan, Fairweather, Jamieson, Johnston, MacDonald (*Prince*), McCleave, Pelletier, Prittie, Simard, Stanbury—(10).

Member also present: Mr. Ballard.

In attendance: (Same as at morning sitting).

25496—1½

Mr. Allard was further examined, assisted by Messrs. Switzer, Metcalf, Easton and Shiel.

The examination of the witnesses being concluded they were permitted to retire.

The Chairman then called Mr. Jack Davis, of Community Antenna Television Ltd., who made an introductory statement, and was then examined on his brief, which was distributed in advance to the members of the Committee.

The examination of Mr. Davis being concluded, at 5.55 p.m., the Committee adjourned to the call of the Chair.

M. Slack,
Clerk of the Committee.

EVIDENCE

(*Recorded by Electronic Apparatus*)

THURSDAY, January 19, 1967.

The CHAIRMAN: Gentlemen, I will now call the meeting to order. Our first witnesses this morning come from the National Community Antenna Television Association of Canada. Mr. G. A. Allard is the President and chief spokesman this morning. I will ask him to introduce his colleagues to you and make an opening statement.

Mr. G. A. ALLARD (*President, National Community Antenna Television Association of Canada*): Thank you very much, Mr. Chairman. I would first like to introduce, on my immediate right, Mr. Metcalf from Guelph, Ontario; Mr. I. Switzer from Lethbridge, Alberta and Mr. John Loader from Victoria, British Columbia. With your permission, Mr. Chairman, some of the questions that the members may direct to me, I may refer to one of the experts I have brought along.

Notwithstanding the fact that our Government presently regulates community antenna television systems, our industry has rarely been given the opportunity to participate in any of the many investigations concerning our activities. Frequently we find that we are being investigated, but seldom have we been allowed to participate in the deliberations. We are grateful today for the opportunity which you have afforded us, Mr. Chairman, to make our views clearly known to your Committee. We hope and expect that you will as a result all be better equipped to form a sound judgment on whether the policies expounded in the White Paper insofar as they relate to our industry, are really in the best interest of the Canadian community.

Notwithstanding all that has been said and done, the determination of the place of CATV in Canada is really very simple. It becomes difficult only if one fails to recognize:

(a) that reception is not transmission, and in the public interest, each must be considered as separate from the other;

(b) if one fails to recognize that it would be a dangerous concentration of authority to permit the same agency which controls transmission (broadcasting) also to control that which may be received;

(c) if one fails to recognize that the national purposes of broadcasting were drafted as guidelines for what is to be transmitted and were never intended to be an intrusion upon the rights of Canadians to receive whatever television or radio programs are available in the air and which present or advancing technology may make available to them;

(d) if one fails to recognize that the CATV industry is already more than adequately regulated under the Radio Act. Further regulation is neither necessary not desirable in the public interest;

(e) if one fails to recognize that the basic unfettered right of the public to listen to and view stations of their choice should be recognized in law and in fact, and action on the part of any authority to curtail the exercise of this right is censorship and represents a fundamental and undesirable departure from the long standing legislative traditions of this country;

(f) if one fails to recognize that the ability to interconnect or network CATV systems and the use of long haul microwave are already controlled by the Department of Transport.

We do, however, recognize that CATV systems, outside of their pure and simple function of superior antenna reception, have the capability to originate and distribute programmes to their subscribers. The fear of those who wish to have our industry further regulated, is probably based upon the fact that CATV systems might originate unregulated programmes, thus placing themselves in the position of influencing public opinions outside of governmental control. These fears may be well founded.

But does it follow that because of the potentialities of CATV systems in this field, and presumably, on the basis of expressed fears of the unknown, that CATV systems as a simple reception service, should be placed under the jurisdiction of the Board of Broadcast Governors? Telephone Companies in Canada through their ownership of a number of CATV networks, which they lease back to CATV operators, are also in a position to originate and distribute programmes over these networks. Would it be logical to suggest that all Telephone Company activities should come under the control of the Board of Broadcast Governors, rather than that of the Board of Transport Commissioners, simply because of their capability to originate and distribute television programmes?

As we have emphasized in our Brief and on many other occasions, community antenna systems in Canada in rendering their services as a pure, and simple superior antenna, are already more than adequately controlled and regulated by the Department of Transport.

We believe that the interests of the Canadian community will be best served by limiting regulation to technical matters relating to antenna installations only so as to permit the viewing community and this industry to develop along the lines of natural growth. This natural growth has been restricted and suppressed in some localities without any conscious decision by the Parliament of Canada, and without any facts having been gathered by the responsible agencies of government from either the industry or those sections of the community to be served.

If, as it appears to us, the chief concern is to prevent:

1. the origination and distribution of programme material that might not conform to the basic objective of developing and maintaining a National system of broadcasting;
2. the formation of networks, and
3. the use of long haul microwave.

Then we believe that the licensing of CATV systems, already including the effective control over the formation of networks and the use of long

haul microwave, should remain under the Minister of Transport, and the effective control of programme origination can be achieved by the simple expedient of requiring as a condition of the Licence that programme origination shall not be undertaken by CATV licensee without prior approval of the Board of Broadcast Governors.

Thank you, Mr. Chairman.

The CHAIRMAN: Thank you, Mr. Allard. Members of the Committee have had distributed some days ago your full brief. Would it be your wish that it be introduced as evidence?

Mr. ALLARD: It would be, sir.

The CHAIRMAN: Is it agreed that the entire brief be taken as read, including the appendices?

Mr. MACDONALD (*Prince*): I do not know whether all the appendices are necessary because, after all, it is just a reprinting of the Radio Act.

The CHAIRMAN: What is the wish of the Committee?

Mr. PRITTIE: I think the brief and the member organizations, Mr. Chairman, ought to be sufficient.

Mr. MACDONALD (*Prince*): The last section on Department of Transport letterhead, Commercial Broadcasting Receiving Stations, Community Antenna Television Systems might also be helpful.

The CHAIRMAN: I think all those are available to us. Mr. Prittie's suggestion is that the appendices A to E be included.

Mr. PRITTIE: Does it list where CATV is in operation and who is operating the system?

The CHAIRMAN: Yes; also the list of officers and directors.

Is it agreed that the brief, including appendices A to E, inclusive, be taken as read and included in the record of this day's proceedings?

Some hon. MEMBERS: Agreed.

(The brief reads):

1. *INTRODUCTION*

This submission is a statement of the views and of the position of the National Community Antenna Television Association of Canada concerning the Government's proposal to regulate community antenna television systems in Canada as expressed in the *White Paper on Broadcasting,* 1966, Section 10 as follows:

> "The new legislation will provide that community antenna television systems shall be treated as components of the national broadcasting system subject to licensing, regulation and control by the Board of Broadcast Governors.
>
> The Board will be empowered to examine, at public hearings or otherwise, all applications for new licences or the renewal of existing licenses for such systems. Among the matters subject to regulation or

incorporated in the conditions of a license will be the inclusion of Canadian channels, the preservation of the integrity of the programs received and carried by the systems, the formation of networks, an adequate degree of Canadian control of corporate licensees, and—as already noted—questions of multiple ownership or control."

While the contemplated legislation has not yet been presented, the *Report by a Joint Committee on Community Antenna Television* prepared by the Board of Broadcast Governors and the Department of Transport and tabled in the House of Commons on March 19th, 1964 gives further indication of the powers that may be desired. In addition to the items specifically mentioned in the White Paper, this report proposes:

— authority for the Board to regulate such stations[1] in regard to programme content and other non-technical matters (the Department of Transport would continue to deal with technical aspects)

— extension of the objects and purposes of the Act[2] to Commercial Broadcasting Receiving Stations[1] and to Land Stations[3] feeding cable relay distribution systems."

2. *THE POSITION OF THE NATIONAL COMMUNITY ANTENNA TELEVISION ASSOCIATION OF CANADA*

The National Community Antenna Television Association of Canada has studied the proposals contained in the Government White Paper. It has assessed their probable impact in terms of both its own interests and the interests of the Canadian public. As a result of this examination, it is strongly of the opinion that community antenna television, which is purely a reception service and does not originate or broadcast signals, should not be regulated by the Board of Broadcast Governors nor should it be treated as a component of the national broadcasting system. It believes that, after examining the issues, the Parliamentary Committee will be of a similar opinion.

3. *THE ISSUES*

The power that the Government White Paper proposes to give the Board of Broadcast Governors over community antenna television is extremely broad and restrictive. Such power should not be granted to any regulatory authority unless the answer to each of the following questions is clearly "yes":

— is it in the public interest?

— is it in keeping with basic Canadian rights, laws and traditions?

— will it achieve the intended goals?

— is it necessary?

The National Community Antenna Television Association of Canada believes that the answer to each of these questions is "no".

---

[1] CATV receiving stations.

[2] "...the continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive broadcasting service of a high standard that is basically Canadian in content and character..."

[3] Microwave receiving stations.

3.1 *Is it in the Public Interest?*

The proposed regulation of community antenna television contravenes the public interest:

By creating an undesirable concentration of authority: Television has become our most powerful mass communications medium. The proposals contained in the Government White Paper would, for a large part of Canada, give the Board of Broadcast Governors total control over both what is broadcast and what is received. This would be an undesirable, if not a dangerous, concentration of authority.

By inhibiting CATV's ability to fulfill a definite public need: While as stated in the Government White Paper, too little is known about "the view held by Canadians as to the objectives of public broadcasting", there is much known about the attitude of the public toward CATV. Approximately 360,000 homes voluntarily subscribe to CATV. These CATV users, and thousands of others in areas where CATV is needed, can see no justification for granting any authority the power to restrict their connecting to a large, efficient antenna to receive what is available directly to millions of Canadians. CATV ws born to serve viewers in isolated communities. Today, it is also serving viewers in urban areas plagued by ghosts, electrical interference and inadequate colour reception. Its ability to fulfill the needs of present and potential users should not be restricted.

By limiting program choice and diversity: While a Canadian broadcasting service is surely a desirable objective, Canadians are not likely to deem it to be in their interest if it is achieved at the expense of program choice and diversity. The proposed regulation of CATV would undoubtedly have this effect if reception is to be bent, twisted or controlled to serve the national purposes of broadcasting.

By limiting competition: Although CATV does not compete for advertising revenues, the competition for viewers' attention undoubtedly fosters improvement and excellence in local programming. It would be a mistake to eliminate this catalyst.

3.2 *Is it in Keeping with Basic Canadian Rights, Laws and Traditions?*

The proposed regulation of CATV runs contrary to certain fundamental aspects of Canadian life:

By limiting freedom to receive broadcast communications: The right to receive broadcast communications is as basic as the right to read what is written. In the case of radio this right has never been questioned. In television the Government would not consider preventing Canadians from erecting their own antennas. Neither should it interfere with their right to connect to a community antenna.

By giving a public authority rights of censorship: Denying a license to provide CATV service or dictating the program or station content of a CATV service constitutes a form of censorship. Is it proposed that such authority be given to the Board of Broadcast Governors? In the past, such powers have only been deemed appropriate in times of national emergency.

By overstepping the intended purposes of the Broadcasting Act: The national purposes of Broadcasting contained in the Broadcasting Act were drafted as guidelines for what is to be broadcast and were never intended to limit or regulate what is received.[4]

By restricting free enterprise: Canada's economy has grown and flourished through competitive free enterprise. CATV is a product of our free enterprise system. It would be doing an injustice to the Canadian public to restrict the healthy growth of this public service industry.

3.3 *Will It Achieve The Intended Goals?*

There is considerable evidence to suggest that the proposals regarding CATV contained in the Government White Paper will defeat the intended effect:

By being basically negative and restrictive in character:

While the objectives of the proposals are not clearly stated it is assumed that they relate to the advancement of Canadian broadcasting. After forty years and endless regulations designed to make broadcasting conform to arbitrary concepts it seems unlikely that restrictive measures applied to reception through CATV will contribute to the advancement of Canadian broadcasting.

By failing to anticipate the expansion of other techniques:

CATV helps to fill a basic need for diversity in home entertainment. If CATV is restricted in satisfying this need other techniques already available such as home video recorders using rental taped programs will step into the breach.

By failing to anticipate new technological developments:

Direct home reception from satellites, Canadian and foreign, is expected to be a reality within the next 5 to 10 years. Obviously, therefore, technological advances will fulfill public wants, restrictions on reception notwithstanding.

3.4 *Is it necessary?*

The proposed regulation is shown to be unnecessary when it is recognized that CATV:

Is already regulated by the Department of Transport: CATV is regulated by the Department of Transport under the Radio Act. This regulation has for some time resulted in full and effective control over the following matters:

— establishment of CATV systems.
— inclusion of Canadian channels.
— preservation of program integrity.

---

[4] *Report of the Committee on Broadcasting 1965,*
Page 31, paragraph 3
"The requirement that broadcasters offer a service basically Canadian in content and character has never been intended as a proscription of all foreign programs. Canada has always recognized the value and interest of foreign programs, for television should be for every home a window on the world, and international affairs should not be seen only through Canadian glasses, especially if they happen to be dark glasses."
Page 20, paragraph 1
"Now that we are on the threshold of world television, it would be not only retrograde but illusory to want to confine Canada to a broadcasting ghetto."

— formation of networks.
— use of microwave relays.
— foreign ownership.
— antenna height and location.
— equipment used.
— quality of signal supplied to subscribers.
— radiation from cables, etc.

Does not compete with broadcasters for advertising dollars: CATV only competes in the way that other media such as books and movies compete. It has never been shown that CATV threatened the economic viability of any broadcasting station (although the reverse has been true). In view of the rapidly increasing demand for advertising time (*see Firestone report on Broadcast Advertising In Canada—Past and Future Growth*) it is erroneous to regard CATV as a serious deterrent to the establishment of new stations.

Is already contributing to the better reception of Canadian stations: CATV is performing a commendable service in improving the reception of Canadian television stations in communities where they would otherwise be poorly received. No regulation is necessary to achieve this end—it is clearly in the interest of the CATV operator to do so.

4. *CONCLUSION*

The legislation proposed in the Government White Paper 1966:

— is not in the public interest.
— is not in keeping with basic Canadian rights, laws and traditions.
— will not achieve the intended goals.
— is not necessary.

Therefore, the National Community Antenna Television Association of Canada respectfully urges the Parliamentary Committee on Broadcasting, Films and Assistance to the Arts to incorporate this position in its recommendations.

G. A. Allard
President

ANNEX A

COMMUNITY ANTENNA TELEVISION
THE BACKGROUND AND THE FUNCTION

With the advent of television some years ago, full benefits from this new medium were restricted initially to viewers in large urban centres. Viewers in other communities located far away from broadcast centres or in mountain valleys were left with no reception at all or at best with poor reception.

It was at this point that CATV came into being.

To better understand the role of CATV in serving the public interest in these communities, one must clearly distinguish between radio signals on the one hand and television signals on the other. Radio signals tend to follow the curvature of the earth. As a result they can be received easily over great distances. Not so television signals. Television signals travel in a straight line as

do beams of light. After broadcast, the signals continue into space as the earth's surface curves and falls away underneath them. The farther a receiver is located from a television broadcast station, therefore, the more troublesome and expensive reception problems become. "Rabbit ears", and even ordinary housetop antennas in such "fringe" areas, are usually unsatisfactory simply because they do not reach sufficient height.

In areas closer to the broadcasting stations such poor reception conditions occur by reason of the household receiver being located in a mountain valley or being blocked by high buildings, thus creating "shadow" areas. Again, electrical interference is a further contributor limiting the reception of clear television signals.

CATV solves these reception problems by placing specially designed antennas on a tower so as to reach signals too high for the ordinary antenna to reach or those blocked by high buildings, and in the case of reception in valleys by placing the community antenna in a selected spot on top of surrounding mountains.

Community antennas are capable of receiving the signals of more than one station simultaneously.

From the community antenna the signals are fed into a connecting system of special cables which lead to homes in the community to be served. These cables are shielded to prevent electrical interference and are known as coaxial cables. In order to maintain the strength of the signal while being distributed through the cable system to the home receiver, amplifiers are installed at regular intervals with the result that the receiver located farthest from the community antenna obtains the same strength of signal as the receiver located nearby.

Each home receiver is fed by an individual cable connection to the main coaxial cable and the receiver is then tuned in the same manner as if it were connected to its own antenna. CATV also serves many hospitals, hotels, motels, apartment houses, and educational institutions.

Subscribers to this service usually pay an initial installation fee and a moderate monthly fee to maintain the service to their receiving sets.

In the transition from the beginnings of television broadcasting to conditions of today where many smaller communities now receive direct broadcast service, the important function of CATV has not lessened. CATV still performs a public service by providing clearer reception and a wider choice of television signals at low cost to the television set owner.

CATV does not broadcast through the airwaves as a television station does. It merely picks up what is already in the air in the same manner as any private receiving set owner could do were he prepared to invest in costly antenna equipment.

CATV should not be identified with closed circuit, pay TV or "theatre in the home" although these various types of program service may use similar cable distribution facilities. The CATV principle applies only to the reception and distribution of programs which have already been broadcast and are in the air available to anyone.

The fact that cable systems are capable of being used for closed circuit transmissions or may be so used, has no bearing on their use solely for the purpose of widening the area in which an adequate broadcast signal may be received.

The advent of colour broadcasting in Canada has accentuated the need for higher technical standards of reception. CATV enables this standard to be achieved and in so doing contributes to the growth of a colour television market in Canada by making the efficient reception of colour television more easily attainable by present and potential purchasers of colour receivers.

Many broadcasters have recognized the serious deficiencies in ordinary household receiving antennas and have vigorously promoted the installation of more elaborate roof top antennas. CATV provides an economically competitive alternative to these elaborate antennas.

Aesthetic and safety considerations are not the least of the reasons for the increasing popularity of CATV. Very definitely, the trend in new housing developments is to include CATV facilities buried underground with the public utilities of electric power and telephone service in order to eliminate the unsightly and hazardous jungle of roof-top antennas that ordinarily spring up where alternative television programs are available and no CATV service exists.

ANNEX B

THE COMMUNITY ANTENNA TELEVISION INDUSTRY

The CATV industry in Canada at present serves some 360,000 subscribers, representing approximately 8 per cent of the 4.5 million television homes in the country.

The highest concentration of systems is found in the provinces of British Columbia, Ontario and Quebec with half of all systems in Canada serving Quebec. This concentration is due to population distribution and to topographical and geographical factors. An additional and significant factor is the bicultural make-up of the country which manifests itself particularly in the province of Quebec. The vast majority of English speaking Canadians have access to alternative television programming. In contrast, in the province of Quebec, CATV provides the only means of receiving alternative French language television service in many areas.

Over 40 per cent of all CATV systems in Canada carry no United States broadcast signals. They do, however, provide a wider choice of reception from Canadian television stations and in some cases are making available Canadian signals where none would otherwise be available due to distance or topographical barriers.

In Quebec, again, over 55 per cent of CATV systems deliver only Canadian television signals to their subscribers, these being the only ones available in the areas concerned.

The location of the bulk of the Canadian population near the United States border is one of the facts of the broadcasting scene which must be borne in mind when analyzing the nature and extent of CATV services in Canada. It is acknowledged that Canadian television viewers devote a considerable proportion of their viewing time to U.S. broadcast signals where such are available. According to the Fowler Committee Report some 54 per cent of Canadian television homes are able to receive U.S. television signals using ordinary household antennas. On the other hand subscribers to CATV services total only 8 per cent

of all television homes in Canada and a large majority of these would be receiving signals from U.S. stations using their own antennas if CATV services were not available.

ANNEX C
NATIONAL COMMUNITY ANTENNA TELEVISION ASSOCIATION OF CANADA

The National Community Antenna Television Association of Canada is an association incorporated under the Companies Act of Canada. It represents some 150 members operating CATV systems throughout Canada which serve over 80 per cent of all Canadian homes using these services for their television viewing.

The association is governed by a Board of Directors elected annually.

ANNEX D
LIST OF MEMBER SYSTEMS OF NCATA BY PROVINCE AND COMMUNITY LOCATION
BRITISH COLUMBIA

Community Served	*Company*
Campbell River	Campbell River TV Assoc., Campbell River
	Campbell River Video Ltd., Campbell River
Castlegar-Kinnaird	Kin-Gar Televideo (1958) Ltd.,
Robson	Victoria
Chilliwack	Valley Televue Ltd., Chilliwack
Courtenay	CC-TV, Courtenay
Cranbrook	Cranbrook Television Ltd., Cranbrook
Creston	Creston Cabled-Video Ltd., Creston
Delta	Delta Cablevision Ltd., West Vancouver
Duncan	Cowichan Valley TV Ltd., Port Alberni
Golden	Golden TV Ltd., Golden

Greenwood	Greenwood Video Ltd., Greenwood
Kaslo	Kaslo Television Ltd., Kaslo
Kelowna	Black Night Television Co. Ltd., Kelowna
Kimberly	Kooteney Enterprises Ltd., Kimberly
Merritt	Merritt Cablevision Merritt
Montrose-Fruitvale	Community Video (Montrose-Fruitvale) Trail Ltd., Trail
Nanaimo	Nanaimo Cable TV Ltd., Nanaimo
Nelson	Community Video (Nelson) Ltd., Nelson
New Westminster	Western Cablevision Ltd., New Westminster
Oliver	Oliver Community TV Cable Ltd., Oliver
Penticton	South Okanagan Television Dist. Ltd., Penticton
Port Alberni	Alberni Cable Television Ltd., Port Alberni
Port Moody	West Coast Television Ltd., Vancouver 13
Powell River	Powell River Television Co. Ltd., Powell River
Revelstoke	Central TV Systems Ltd., Revelstoke
Salmo	Salmo Cabled Programmes Ltd., Salmo
Aquamish	Reliance Distributors of B.C. Ltd., Squamish
Trail	Community Video (Trail) Ltd., Trail
Ucluelet	Ucluelet Video Services Ltd., Ucluelet
Vanada, Texada Island	Texada Community Television Assoc., Vanada, Texada Island
Vancouver	Canadian Wirevision Ltd., Vancouver 15
	Express Cable Television Ltd., North Vancouver

West Vancouver	Northwest Community Video Ltd., North Vancouver
Victoria	Langford-Sooke Cablevision Ltd., Victoria
	Victoria Cablevision Ltd., Victoria
Sidney	Youbou Television Ltd., Sidney

PRAIRIES AND YUKON

ALBERTA	
Athabasca	Superior Communications Systems Athabasca
Banff	Banff Community Antenna Ltd., Banff
Hinton	Rocky Mountain CATV Ltd., Hinton
Lethbridge	Cable Vision Lethbridge Ltd., Lethbridge
Medicine Hat	Cable Vision Medicine Hat Ltd., Medicine Hat
Red Deer	Community Video (Red Deer) Ltd., Red Deer
St. Paul	Community Antenna Systems Ltd., Edmonton
SASKATCHEWAN	
Estevan	Co-ax Television (1962) Ltd., Weyburn
Kindersley	Kindersley Antenna System Kindersley
Weyburn	Co-ax Television (1962) Ltd., Weyburn
YUKON	
Whitehorse	Northern Television Systems Ltd., Whitehorse

ONTARIO

Atikokan	Nor-Video Services Ltd., Atikokan
Barrie	Barrie Cable TV Ltd., Barrie
Belleville	Cablevue (Belleville)Ltd., Belleville
Bramalea	Bramalea Telecable Ltd., Rexdale

Brantford	Jarmain Cable TV Ltd., Brantford
Brockville	Brockville Cable, Brockville
Chapleau	Chapleau TV News, Chapleau
Collingwood	Collingwood Cable TV, Collingwood
Cornwall	Cornwall Cablevision 1961 Ltd., Cornwall
Corunna	Moore TV Services Corunna
Deep River	Deep River TV Enterprises Pembroke
Dryden	Dryden Community Television Dryden
Dundas	Dundas Television Systems Ltd., Hamilton
Galt-Preston	Grand River Cable TV Ltd., Galt
Gloucester Township	Bytown Cable TV Company Ltd., Ottawa 2
Guelph	Metronics Corporation Ltd., Guelph
	Guelph Cable-Television Division of Metronics Corp. Ltd., Guelph
Haileybury	Hillcrest Community Television Haileybury
Hamilton	General Co-Axial Services Ltd., Hamilton
	Hamilton Co-Axial (1958) Ltd., Hamilton
	South Aberdeen Association Hamilton
	Western Co-Axial Limited Hamilton
Hawkesbury	Cie Cable Vision de Hawkesbury Ltée Hawkesbury
Hearst	Hearst Television Co. Ltd. Hearst
Hornepayne	Television Hornepayne Ltd., Hornepayne

Huntsville	Huntsville Community TV Ltd., Huntsville
Kingston	International Tele-Film Enterprises, Toronto
Kitchener/Waterloo	Grand River Cable TV Ltd., Kitchener
Lindsay	Lindsay CATV Systems Ltd., Lindsay
London	London TV Cable Services Ltd., London
Midland	Midland Cable Television Midland
Nepean Township, Ottawa	Ottawa Cablevision Ltd., Ottawa 5
Newmarket	Jarmain Cable TV Ltd., Newmarket
New Liskeard	Clearview Television New Liskeard
North Bay	North Bay Cable Television Ltd., North Bay
Orillia	Orillia Cable TV Ltd., Orillia
Oshawa	Owen Sound Cable TV, Owen Sound
Parry Sound	Radio & TV Distribution Ltd., Parry Sound
Pembroke	Pembroke TV Enterprises Ltd., Pembroke
Peterborough	Peterborough TV Enterprises Ltd., Peterborough
Port Arthur/Fort William	Lakehead Videon Ltd., Port Arthur
Sault Ste-Marie	Continental Cablevision Inc., Sault Ste-Marie
Stoney Creek	Niagara Co-Axial Ltd., Stoney Creek
Stratford	Stratford Cable TV Ltd., Stratford
St. Thomas	Allview Cable Service Ltd. St. Thomas
St. Catharines	South Dale TV Cable Ltd., St. Catharines
Terrace Bay	Lakeshore Community Television Ltd., Terrace Bay
Toronto	Hosick Television Co. Ltd., Toronto 3
	Metro Cable TV Ltd., Toronto

QUEBEC

Asbestos	Cablovision Inc., Asbestos
Beloeil-McMasterville	Beloeil Transvision Inc., Beloeil
Black Lake	Black Lake Telediffusion Inc., Robertsonville, Co. Mégantic
Cap de la Madeleine	TV Supervision Inc., Cap de la Madeleine
Cloverdale	Gimble's Television Chomedey
Danville	TransVision Danville Inc., Danville
Dolbeau	Dolbeau TV Service Inc., Dolbeau
Fabreville & Ste-Rose	Video Cable Services Ltd., Fabreville
Granby	Transvision Granby, Inc., Granby
Grand'Mère	Jules Matteau Télévision Grand'Mère
Hull	Laurentian Cablevision Ltd., Hull
Lac Mégantic	Megantic Transvision Enrg., Lac Megantic
Laval des Rapides	Télé-Fil Ltée Laval des Rapides
Lennoxville	Lennoxville Transvision Inc., Lennoxville
Magog	Transvision Magog Inc., Magog
Malartic	Cable Communautaire de Malartic Malartic
Montreal	Cable TV Ltd., Montreal 9
	Calumet Enterprises Inc., Montreal
	Cable Vision (Montreal) Inc., Montreal
	National Cablevision Ltd., Montreal 5
	Rediffusion Incorporated Montreal
	Télé-Câble Videotron Montreal-North
Normandin	M. A. Picard Normandin

Petit Saguenay	Masson Télévision Enregistrée Chicoutimi
Plessisville	Claire-Vue Inc., Plessisville
Québec	Télé-Câble du Québec Inc., Québec 2
Richmond	TV Cable (Richmond) Inc., Richmond
St. Georges Est	Kennebec Video Enrg., St. Georges Est, Co. de Beauce
St. Georges de Beauce	Beauce Vidéo Ltée St. Georges de Beauce
St. Jovite	Système Communautaire de Télévision St. Jovite
St. Hyacinthe	Radio-St. Hyacinthe Ltée St. Hyacinthe
St. Ludger	Catellier Radio & TV Enrg., St-Comme de Beauce
St-Pascal, Co. Kamouraska	Paradis TV Enrg., St-Pascal
St-Raymond, Co. Portneuf	Video Distribution Déry Ltée St-Raymond
St-Téophile de Beauce	Kennebec Video Enrg., St-Come de Beauce
Sept Iles	Cie de Télévision de Sept Iles Ltée Sept Iles
Shawinigan	Shawinigan Télévision & Cie Shawinigan
Sherbrooke	Transvision (Sherbrooke) A division of Rediffusion Incorporated Sherbrooke
Thetford Mines	Thetford Video Inc., Thetford Mines
Trois Rivières	La Belle Vision Dallas Texas, U.S.A.
Val d'Or	Paul Télévision Service Ltée Val d'Or
Victoriaville	Vic Trans Air Vision Inc., Victoriaville
Ville Marie, Co. Temiscamingue	Ville Marie TV Enrg., Ville Marie, Co. Temiscamingue
Waterloo	Waterloo Télédiffusion Inc., Waterloo
Windsor Mills	Transvision Windsor Inc., Windsor Mills
Bromptonville	T.V. Communautaire de Bromptonville Inc., Bromptonville

Matagami	Matagami TV Club Matagami

MARITIMES

NEW BRUNSWICK	
Edmunston	Madwaska Community Television Ltd., Edmunston
Silverwood	Faust Transvision Ltd., Fredericton
St. John	Fundy Broadcasting Company Ltd., St. John

ANNEX E

LIST OF OFFICERS AND DIRECTORS OF NCATA

OFFICERS	
President	G. A. Allard, Montreal, P.Q.
Vice-President	J. W. Loader Victoria, B.C.
Treasurer	O. Girard Magog, P.Q.
Secretary	K. J. Easton Toronto, Ont.
DIRECTORS	
J. Beauchemin Québec, P.Q.	L. Langlais Asbestos, P.Q.
L. Béliveau Cape de La Madeleine, P.Q.	G. W. Rymal Hamilton, Ont.
F. E. Cassin St. Thomas, Ont.	H. D. Shiel Vancouver, B.C.
M. Cliche St. Georges de Beauce, P.Q.	I. Switzer Lethbridge, Alta.
D. L. Gartrell Penticton, B.C.	H. R. Young Peterborough, Ont.
E. R. Jarmain London, Ont.	

ANNEX J

AIR SERVICES TELECOMMUNICATIONS BRANCH
DEPARTMENT OF TRANSPORT

COMMERCIAL BROADCASTING RECEIVING STATIONS
COMMUNITY ANTENNA TELEVISION SYSTEMS

1. This document has been prepared to assist persons who wish to apply for a Commercial Broadcasting Receiving Station Licence to authorize the establishment and operations of a Community Antenna Television System.

2. *Applications*

2.1 An application for a Commercial Broadcasting Receiving Station License is submitted on Forms 2123 and 2022A. Form 2123 is required in duplicate and

2022A in quadruplicate and they may be obtained from the Director, Telecommunications Branch, Department of Transport, Ottawa.

2.2 Since Form 2022A is used to supply information required to examine the site and antenna from a hazard to air navigation point of view, the importance of having this form completed in detail cannot be stressed too strongly.

2.3 A licence fee of $25.00 should accompany application form 2123. This licence fee will be returned in the event that the issuance of a licence is not approved.

2.4 The application should be accompanied by a map or sketch showing the location of the antenna, route of cable, and the location of the main post office of the area to be served.

2.5 A list of television stations, from which programmes are to be received and distributed, should be included with the application showing any channel conversions. If there are no programmes being carried from Canadian stations, then the application must state why such programmes cannot be carried. A licensee will be required to carry Canadian programmes where the reception of such programmes is technically possible.

3. *A Standard Community Antenna Television System*

3.1 This is considered to be a system which has its antenna located within approximately ten miles of the main post office of the community to be served.

3.2 The Department would usually licence a system within this category, if it complies with the technical requirements and the conditions to be observed by a licensee.

4. *Systems Involving Single Hop Radio Relays*

4.1 The Department may give consideration to an application which is predicated on the use of a radio relay in accordance with the following provisions:—

(a) Where the area involved is not served directly by an existing Canadian television broadcasting service, and

(b) Where the effect of the radio relay installation will be to extend the service area of a Canadian television broadcasting station and where the area involved is in all likelihood too small to support a television broadcasting station and is not likely to assume such proportions within the foreseeable future as to be capable of supporting a television broadcasting station, and

(c) Where the requirement can be met by a single hop radio relay, and

(d) Where the area is such that appropriate frequency assignments may be made for this purpose without prejudice to other radio services, and

(e) Where the use of a coaxial cable link would be abnormally expensive (water crossing, rugged terrain, etc.)

4.2 When considering applications of this category, the Department would seek the advice of the Canadian Broadcasting Corporation at technical level of the effect, if any, on television broadcasting.

5. *Remote Community Antenna Television Ssytems*

5.1 This is a system where the antenna is located too far from the community to be served for programmes to be relayed by a single hop relay.

5.2 The remote type of Community Antenna Television System might be subdivided as follows:—

(a) Where it provides service to a community which does not have service and would not likely have its own television station.

(b) Where the community is in the service area of an existing television broadcasting service or might be expected to have a local broadcasting station.

5.3 The Department does not intend to licence stations which come within this category. However this policy is under review insofar as it concerns the category outlined in 5.2(a)

6. A system using a long coaxial cable, to transfer the programmes from the receiving antenna to the main distribution centre, would be considered on its merit in relation to the policy with respect to a system using a radio relay. The Department would seek the advice of the Canadian Broadcasting Corporation at technical level of the effect, if any, on television broacasting.

7. Radio Station Licences issued by the Department are not exclusive. Applications for licences will be accepted with respect to similar stations in the same area.

May 15, 1957

ANNEX K

General conditions to be observed by licensees of Commercial Broadcasting Receiving Stations established for Community Antenna Television distribution service.

1. During the scheduled hours of operation of the herein licensed station, broadcasting utilized shall not be altered or curtailed in any way except by agreement with the broadcasting station.

2. The radio receiving apparatus including the distribution system, amplifiers or other devices in use shall conform with Department of Transport Radio Standards Specification Number 102.

3. Nothing in this licence shall be construed as conferring the right to use broadcasting received from a broadcasting station for any purpose other than that agreed to by the licensee of that broadcasting station.

4. Special precautions must be taken in the operation of this station to avoid causing interference to private receiving stations operated by the public.

5. The granting of this licence shall not be construed as a commitment on the part of the Minister to protect the service provided by the licensee from interference caused by transmissions of existing or future licensed Private Commercial Broadcasting stations, providing a television service to the public, on frequencies assigned to said stations.

6. The operator of a Community Antenna Television System will be required to receive and distribute programs received from a Canadian Private Commercial Broadcasting Station (television) unless it can be demonstrated that a Canadian station cannot be received.

The CHAIRMAN: As members know, there is a further submission to be made today by an individual community antenna concern. I thought that, perhaps, there might be some confusion between the positions of these two witnesses if we heard both submissions before having the questioning. I hope this will not cause very much repetition, but, perhaps, members could direct questions to the present witnesses arising out of any conflict they see between the two briefs which they have already read.

Mr. MACDONALD (*Prince*): Mr. Allard, in your brief you actually set out four areas with which you deal: The question of whether it is in the public interest; is it in keeping with basic Canadian rights laws and traditions; will it achieve the intended goals and is it necessary? All of these are related to the statement in the White Paper that you quote to the effect that CATV will come under the regulation of the new Board of Broadcast Governors, and then you go on to deal with these. I do not find your argument very convincing.

First of all, at page 3, you say:

> The proposals contained in the government White Paper would, for a large part of Canada, give the Board of Broadcast Governors total control over both what is broadcast and what is received. This would be an undesirable, if not a dangerous, concentration of authority.

I take it you have no quibble with the fact that they have control over what is broadcast, but you raise some question whether or not they have a right to exercise control over what is being received.

Mr. ALLARD: That is correct.

Mr. MACDONALD (*Prince*): This is really the essence of your submission or half of it. The other half seems to deal with the availability of most of this programming to people who live near enough to the stations along the border. Would you like to expand on that?

Mr. ALLARD: Yes, Mr. Chairman. I think the answer to that might be that we do not feel that the same body which controls that which may be broadcast in Canada should also have, in effect, the right to tell the citizens of Canada when and in which way to switch their set or to change their channel, what programs on their TV set they may or may not choose. We believe that it is the choice of the individual to receive the programs which he wishes to receive. Whether he wishes to receive those programs by ordinary rabbit ears, rooftop antenna or by connection to a cable system is the free choice of the individual. We do not believe that a body such as the Board of Broadcast Governors, which by nature must be broadcast oriented, should also have the right, in essence, to tell the Canadian public what programs they should view.

Mr. MACDONALD (*Prince*): I think your argument is a little weak. I do not see any direct connection between the use of CATV, or the non-use of CATV, and telling people what programs they are to watch. The same thing would happen if you were to tell people where they were to live. I find that argument a very weak one.

Mr. ALLARD: May I perhaps amplify what I mean. Let us assume, for instance, Mr. Chairman that the Board of Broadcast Governors, if they are given jurisdiction over the CATV system, should decide that CATV systems in Canada

should cease and desist. What is going to happen? The residents or subscribers to CATV systems will merely put up rooftop antennas and receive the same programs they were receiving before by means of connections to the cable system. Should the BBG have jurisdiction over that? Should the BBG have jurisdiction over the right of the individual to put up a rooftop antenna, in effect?

Mr. MacDONALD (*Prince*): There seems to be a fundamental difference and there is one thing that you really do not spell out. While dealing with all these arguments it almost sounds as if the whole availability of CATV is done for altruistic reasons and I do not think any of us in this room believes that. We know, in fact, that, apart from the installation fee there is a regular rental fee. This is a business transaction, is it not?

Mr. ALLARD: It is a business transaction. We are in this business to make a legitimate profit and to render a legitimate service to the community.

Mr. MacDONALD (*Prince*): This I think is a fundamental thing because you have already agreed, and it is indicated in the latter conclusions of your brief, that there are certain technical minimum specifications that you must come up to in order to be granted a licence by the DOT and you have no disagreement with that.

Mr. ALLARD: That is quite right. We have no disagreement with that. We have really no basic disagreement at the present time with any of the regulations to which we are being subjected by the Department of Transport.

Mr. MacDONALD (*Prince*): To spell it out clearly, you are in business to supply to a consumer a service of a certain quality and at a specific fee.

Mr. ALLARD: That is right.

Mr. MacDONALD (*Prince*): So to that extent at least this is not quite in the same category as a person who would desire to move close to the American border so that he could receive these pictures, or a person who would decide that on account of his location perhaps he could erect a very high antenna, or a high-powered antenna, that could bring in these programs.

I think we are in one of these grey areas. I think your argument is strong at the point where you suggest that we may not be too many years removed from the time when through satellites, even the kind of service you are offering may be obsolete because people with their own televisions sets, without necessarily having cable TV, may be able to tune in on any number of programs simply by the use of the ultra high frequency band.

Mr. ALLARD: But there again, if I may interrupt you, even with satellites we understand that the viewing public would still require elaborate antennas in order to receive programs emanating from satellites, and we still feel that even with satellites the use of cable service will be enhanced.

Mr. MacDONALD (*Prince*): One of the essential things that bothers me about your whole submission and I think it is the essence also of this further submission of the Calgary group, is that you seem to miss the whole point of the Canadian attitude, at least, I think it is the Canadian attitude to broadcasting.

My view, after reading your submission, is that you look on television as a communication link or service, to be available to people in this country, and offering the diverse programs which are popular perhaps south of the border. I am not putting this very clearly. What I am trying to say is that perhaps you do not see that there might be a particular role for television in establishing some kind of national identity in this country.

Mr. ALLARD: Mr. Chairman, the CATV in rendering its services and I am talking now about pure and simple CATV, I am not talking about the use of microwaves, we are prevented by the Department of Transport from using microwaves to import programs from the United States, are making it, in effect, less cumbersome for the Canadian population or the citizens of Canada to receive those programs which are available in the air in the community in which they reside. They could erect an antenna. Anyone can erect an antenna and receive from Montreal, for instance, the three U.S. networks, but if there is a cable company in Montreal providing the same service in the cable, they give the potential subscribers an option either to erect an antenna on their roof or connect to the cable. We are not reaching far afield to bring those programs into Montreal or to bring those programs into Vancouver or Victoria. We are not reaching far afield. We are simply taking what is already in the air and distributing it over our community antenna system and making the same programs which these people could receive off their rooftop antenna available over the cable. I do not know really of any instance in Canada where programs are being picked up from far afield to be brought into a community.

Mr. PRITTIE: Mr. Chairman, if Mr. MacDonald will permit an interjection, I think we have to make a distinction here between what this group which is appearing first is saying and what the gentlemen from Calgary will be saying. You represent two groups only, I believe—those who are in border areas where the people can already receive it with their own antenna.

Mr. ALLARD: That is right.

Mr. PRITTIE:—and some places in Quebec where it has been established and they are receiving only Canadian stations. This is making service available which is not otherwise available.

Mr. ALLARD: That is true.

Mr. PRITTIE: The other matter of microwaves and carrying it farther into the country is another question in your mind.

Mr. ALLARD: They are completely separate questions.

Mr. PRITTIE: I think if we confuse these two we will get all mixed up in our questioning here this morning.

Mr. COWAN: Mr. Chairman, I have a supplementary following on Mr. Prittie's question. What about Powell River? It is not close to the border and they had a CATV system. Are they not members of your association?

Mr. PRITTIE: No, some people in Powell River can receive television.

Mr. ALLARD: May I ask Mr. Loader to answer this question. He resides in Victoria and is perhaps more conversant with the situation there.

Mr. J. W. LOADER (*Vice-President, National Community Antenna Television Association of Canada*): I am sorry, Mr. Chairman, I am not in a position to answer that question. I have no personal familiarity with the Powell River situation.

Mr. PRITTIE: Mr. Shiel from Vancouver can answer that.

Mr. COWAN: Is Powell River a member of your association?

Mr. ALLARD: Yes, they are.

Mr. COWAN: Well, the reason I asked that is that Mr. Prittie said that the association is representing two group, those who are close enough to the border to receive the signal directly across the international line and I want to point out that Powell River is in there and they cannot receive it direct.

Mr. PRITTIE: Mr. Shiel, people in Powell River could receive it direct, could they not, if they had a high enough antenna?

Mr. H. D. SHIEL (*Director, National Community Antenna Television Association of Canada*): Yes, this is so.

Mr. COWAN: If and with a high enough antenna, but they had the CATV system using microwaves to bring it in.

Mr. MACDONALD (*Prince*): They are using microwaves in CATV to bring it in?

Mr. SHIEL: May I defer that question to Mr. Switzer who is our technical representative. He did a survey of the various factors involved in the carriage of signals in that neighbourhood.

Mr. I. SWITZER (*Director, National Community Antenna Television Association of Canada*): Mr. Chairman, the system at Powell River, Powell River TV Company Limited, is indeed a member of the association. I read from an abstract from their Department of Transport licence, they are authorized to receive a station from Bellingham, KVOS-TV channel 12 and two stations from Seattle and two stations from Vancouver. They have a licence for a microwave system which is a one-hop system which meets the requirements of the Department of Transport as listed in the supplement to the association brief and which is used to receive Channel 8 from Vancouver, the CTV station. The microwave, which is a comparatively short hop is used only for Canadian stations. The reception of the American channel is by a fairly powerful antenna system at Powell River but which meets the requirements of the Department of Transport. The antenna is within ten miles of the main post office at Powell River and it is a kind of accident of topography; that is, a mountainous situation in Powell River, that requires a community antenna system, a favourably situated antenna to receive the American channels.

The mileage for example from Bellingham is 114 miles. This is the point to point mileage from the Powell River antenna to the Bellingham station. This is considered in the industry to be a straightforward typical British Columbia mountain community antenna situation. There is a microwave but it is for a Canadian station and my recollection is that it almost took an act of parliament to get that authorized.

Mr. ALLARD: Mr. Chairman, there are today, in Canada three instances where the Department of Transport have authorized the use of a microwave relay in order to bring in to a community distant programs. But in each one of those cases the programs brought into the community by the CATV operator are Canadian programs, one is in Campbellton, in the maritimes, the second one is in Powell River and the other one is in Wawa, Ontario.

An hon. MEMBER: There is another one in Estevan.

Mr. ALLARD: I stand corrected. There are four exceptions, but those have been granted special authority by the Department of Transport but that authority has only been granted to authorize the transportation of Canadian programs into a community which might not otherwise receive those Canadian programs.

Mr. MACDONALD: (*Prince*): There is another aspect of your brief on which I would raise a question because I really find it very difficult to believe that this is true, and I would have to have it proven to me. I think it is on page 7. You say:

> It has never been shown that CATV threatened the economic viability of any broadcasting station (although the reverse has been true).

Then you quote an American report, not a Canadian one, and then say:

> It is erroneous to regard CATV as a serious deterrent to the establishment of new stations.

Is that a Canadian report? I am confusing it with another report that I read that was American. Is there any documentation on this because I wonld find this very difficult to accept knowing that in certain areas there are stations that, because of the size of their audience, have great difficulty in surveying at all. It is not, as indicated in one of these briefs, that it was the failure of the station to be managed well; it was simply the number of homes available to view programs.

Mr. ALLARD: Mr. Chairman, it has never been proven to us, so we would find it difficult to try and prove it to you. It has never been proven to us. I suppose the only authority would be the Board of Broadcast Governors that could really tell us.

Mr. MACDONALD (*Prince*): This is the whole point. You are arguing in this brief that because of the nature of the service that you are providing, you should really not be responsible to the BBG. It would be doubtful whether television stations in a number of areas in this country could survive if CATV continues to expand; they would have to make, I would think, submissions to the BBG and say, "in light of the possibility of the establishment of a CATV system in our area, we protest". Now if you are not able to meet face on the people that are going to be on the other side of the question it seems to me it makes it very difficult for the BBG itself to deal with the situation. It would be dealing with it, not on the basis of technical facilities, but simply on the basis of the economic viability of more services than are presently available.

Mr. ALLARD: Has this to do with the economic viability of existing stations or the economic viability of proposed stations to be established in Canada?

Mr. MACDONALD (*Prince*): I am talking about stations existing now.

Mr. ALLARD: I believe Mr. Switzer may have an answer to this point.

Mr. SWITZER: Mr. Chairman, the association has compiled, at considerable expense, with the aid of electronic computers, a substantial study of both the community antenna industry itself, that is, its statistics, and of whatever material was available on the broadcast industry. Everyone outside of the Dominion Bureau of Statistics and the Board of Broadcast Governers is at a disadvantage when it comes to considering the economics of television stations because, while they report their balance sheets and the like to the D.B.S. and to the Board of Broadcast Governors, these are confidential to those agencies. But we do have access to a report that Dr. Firestone prepared on the prospect for broadcast advertising in Canada and while it is a substantial volume—this is a copy—Dr. Firestone's conclusion is that the economic prospects for the television industry in Canada are extremely rosy, extremely bright, in the potential advertising revenues available to them. Just as an example, it says that the main quantitative findings of this study are that advertising revenues of both radio and television stations would rise from $160 million in 1965, to a range something of the order of $500 million by 1975, which is a threefold increase in the revenues for the broadcast industry. This is just one example.

Mr. MACDONALD (*Prince*): Is that television or radio and television.

Mr. SWITZER: That is radio and television combined, but the revenues in the broadcast industry and the graphs that he projects are substantially slanted toward the fact that television is now the larger of the two broadcast media.

The approach that we have to take towards analysing the effect that we would have on broadcast stations in Canada was to check broadcasting station audience data. These were the only figures to which we had access, and we try to make some correlation between a station's audience and its potential revenue and its potential viability.

There are in Canada a number of stations with audiences as small as nine or ten thousand homes, but the figures that we have compiled show that for the greater part these very small market stations do not have community antenna systems, nor are they likely to have community antenna systems under the present regulation. These stations, these communities have small television stations because they are remote from the border, and because they are remote from the border and because CATV is limited to direct reception with an antenna within ten miles of the community to be served, it is extremely unlikely that—

Mr. MACDONALD (*Prince*): You are speaking now specifically in terms of American TV.

Mr. SWITZER: No, Canadian TV stations also. For example, we have on the list of smaller stations a medium size community market with one station only, Rimouski in Quebec. The members of our association have been in business for a long time and they have engineers, staff people, who do nothing but sit all day and look at maps for likely places to install community antenna television systems to expand their operation, and I can assure the chairman that communities on these lists have not been overlooked by the industry as potential places to provide what we consider a worth while service. Rimouski does not have a community antenna system. The station there reaches something like 37,000 households. In our discussions and deliberations it is considered unlikely that

under present regulation Rimouski would ever get a community antenna system to bring in either Canadian or American programs. There is just no technical means within the present regulations by which we could provide community antenna service in places like Rimouski. I have a substantial list of them here, Mr. Chairman, for specific reference, or I can summarize the number of such communities.

Mr. MACDONALD (*Prince*): I do not want to get involved much in that area, though I can think of areas with which I am better acquainted, namely the Maritimes, particularly Nova Scotia and Prince Edward Island. I firmly believe that the introduction of a CATV system right now would affect at least two television stations there that I know of and put them under. This would not mean that CATV would be available except in terms of southern Nova Scotia, from the United States; but if a CATV system were established it would make four, five or even six maritime stations available to anyone who had the CATV service and thus put some of these stations in great jeopardy. But that is not really the question. The question that I am concerned with is one that may or may not be faced, but for which there has to be a provision. Should CATV receive approval from the DOT to establish a system and a local station were placed in an uneconomic position, there would be no forum in which the case could be argued fairly, or fairly dealt with. You people would receive your sole rights and regulations from the DOT; the private or local station would make representations through the BBG and it would seem to me that you then put the situation in such a context that it cannot be actively dealt with.

Mr. SWITZER: Mr. Chairman, the regulations under which community antenna systems operate are published by the Department of Transport and accessible to everyone, broadcasters included. We assume that broadcasters proposing operation in any community in Canada, know the regulation concerning CATV or can make themselves acquainted with it. They, or their consultants, just as well as we, can make their own judgement whether there is likely to be a CATV system established in their community, just as that broadcaster weighs all his other competitors when he decides whether or not to go into business in that community.

Mr. MACDONALD (*Prince*): Yes, but I am talking about stations that are established now, not stations that might be established next year or the year after.

Mr. ALLARD: Mr. Chairman, if I may give you the example for instance of St. John's, Newfoundland or Corner Brook, Newfoundland, there is no CATV system established in those communities because there are no other signals in the air available. If there were, presumably the residents of St. John's or the residents of Corner Brook would erect their own rooftop antenna to receive them.

Mr. JAMIESON: You bet they would.

Mr. ALLARD: They certainly would. Now if these signals were available in the air, then certainly the CATV system might come into being, but there are no signals available and therefore, there it is not likely a CATV system would be set up in St. John's, Corner Brook, or in Prince Edward Island. Now, there could be a CATV system established in those communities if the Department of Transport was to allow the use of microwave relays, but they do not.

Mr. MACDONALD (*Prince*): No, but the whole point of it is—and we are arguing specifics while I think it is really irrelevant to what I am saying directly—that at the present time there are areas in the Maritimes where CATV could be established simply by the standard use of a high tower. This is possible, because you can now receive some of these programs on third or fourth class reception and I would assume that it would be a matter of erecting a much better tower than is currently available to any private individual, but that is not the point. The point is that in effect what might happen, and what will likely happen, is that there are going to be times and instances where CATV is going to be directly competing with the survival of independent local television stations, and yet they will not be treated—

Mr. PRITTIE: Is anything the matter with that?

Mr. MACDONALD (*Prince*): Oh, there is nothing the matter with it, provided they both can be dealt with by the same body and in this instance they cannot be.

Mr. ALLARD: But, Mr. Chairman, again if I take the illustration of Montreal, or Toronto for that matter, how many hundreds of thousands of antennas were erected in Toronto? Are they competing with the local broadcasters? Certainly they are.

Mr. PRITTIE: I think Mr. MacDonald is still arguing the next point, not what now exists, but what might happen, as is the point brought up by the Calgary submission.

Mr. ALLARD: I assume that the Calgary submission—I have not read it all—requests the use of microwave relays to import distant programs into Calgary from the United States. This is not what we are talking about. CATV is not that, really.

Mr. MACDONALD (*Prince*): I realize that, and I am not really dealing with that. It can be included, but it is not necessary to include it in this discussion, because it is my belief that there will be occasions—and there are quite likely occasions now, though not clearly defined—where there is competing interest and where there is the question of the survival of the local originating station and yet, in your case, regulations are primarily of a technical nature; they are exercised through the Department of Transport, and in the case of these broadcasting stations, the basic and final approval must come from the Board of Broadcast Governors. Both are providing a service to the consumer: one would say that he is simply amplifying what is already there; the other would say he is originating it, but the consumer is basically dealing with the same kind of product, it is the consumer that we are primarily interested in.

Mr. ALLARD: We are also very interested Mr. Chairman, but we are not competing with the livelihood of broadcasters. Really the CATV systems, pure and simple, are not competing with the livelihood of broadcasters. If anything is competing with the livelihood of broadcasters, it is the natural law of electronics.

The CHAIRMAN: Mr. Cowan has a supplementary question.

Mr. COWAN: Mr. Chairman, Mr. MacDonald made a statement a little while ago that there is no common ground on which the merits of the CATV applicants

and an existing television station could be argued. This is the first time we have discussed CATV since Mr. MacDonald came to parliament, because before he got here this was threshed out on the floor and slippery Jack Pickersgill made the statement, when we beat him that in the future he would informally refer all applications for CATV licence to the BBG and he would informally ascertain the opinion of the BBG and then when he had informally ascertained what the BBG thought, having been prevented from learning it formally, he would make a ruling in the Department of Transport. To make the statement that the established television stations do not have the right to oppose CATV application on a common ground is not in keeping with the facts as he established them in the parliament before the 1965 elections.

Mr. MACDONALD (*Prince*): I am glad to hear Mr. Cowan agreeing with me. I doubt it—

Mr. COWAN: If you and I are in agreement, I will change my opinion.

Mr. MACDONALD (*Prince*): Because what you are indicating is simply the back door method of dealing with this problem—

Mr. COWAN: There need not be any back door method; front door methods are entirely separate. One is receiving; the other is broadcasting.

The CHAIRMAN: Rather than carrying on a debate at this point in our proceedings, I wonder if we could continue—

Mr. COWAN: It is not a debate, I was giving the facts. It is very interesting, you know.

Mr. FAIRWEATHER: It is becoming a lively program.

The CHAIRMAN: Yes; it should be televised.

Perhaps we would get farther this morning if we could each complete our questioning in order; we will have ample time to argue about these matters later.

Mr. MACDONALD (*Prince*): Perhaps that is as far as I want to go at this point. Maybe others will carry on later.

Mr. ALLARD: If I may, Mr. Chairman, we in our association are very fortunate in having on our board a broadcaster, Mr. Metcalf. Perhaps we should hear what he has to say on this question.

Mr. F. T. METCALF (*Past President, National Community Antenna Television Association of Canada*): First of all, Mr. Chairman, to go back to the point that we do not know of any TV station the viability of which has been impaired by CATV, we do not in fact know, but we requested in June 1963, at a meeting of the BBG to investigate CATV, that if there were any stations which were suffering, we would like to know about it. To this date we have not been advised. The BBG does have the figure, so we have to assume—and that is the reason that it in the brief—that in fact this is so.

Secondly, the broadcasters themselves in their brief, which was presented here, or in the opening statement by Mr. Pouliot, state that

> . . . broadcasting does not operate in a vacuum. . . Canadians have a very wide range of alternative choices in their pursuit of information, educa-

tion and entertainment. Nearly every Canadian who can turn to broadcasting when he wishes and only when he wishes, can also turn to daily and weekly newspapers, magazines, books, motion pictures, an increasing variety of indoor and outdoor sports, to special day or night classes, or even to conversation.

I quote this merely to make the point that the fact that there is a CATV in a given community is not the sole reason a broadcaster will make or break. It can make some difference but there are so many other things which can make a difference that it is a negligible factor. I suggest to you also that if, as and when, the hearing for a second station in London, Ontario, comes before the BBG, there will be no shortage of applicants even though London is over 50 per cent saturated by CATV.

Mr. MACDONALD (*Prince*): You are a television broadcaster yourself; is that correct?

Mr. METCALF: A radio broadcaster.

Mr. MACDONALD (*Prince*): You are not directly involved in one side of the question or the other. You are neither making use of CATV to further your own signal nor are you being affected in terms of competition. In your business pursuits you are not directly involved with this question?

Mr. METCALF: I am not a television broadcaster.

Mr. ALLARD: Mr. Chairman, I stand corrected. I mentioned that Mr. Metcalf was a director of our association. In effect, he is not a director this year but he has been for the last 10 years and is a co-founder of our association and is still a member of our regulations committee.

The CHAIRMAN: Mr. Allard, thank you.

Mr. PRITTIE: Mr. Chairman, I would just like to confirm what Mr. Cowan said. It is a fact that any application for a CATV system is referred informally to the Board of Broadcast Governors and it is also a fact that they have not been permitting microwave set-ups other than the four which have already been mentioned. So in effect it is pretty well just the border areas that are receiving CATV. It is in precisely those areas where people could get the programs with their own antenna.

The national association, which is appearing here today, is making a very special point of this fact that they are serving the border areas where people could receive television with their own aerials. Some of the other questions, which I think are really important, come up in connection with the following brief, and this is where the question of the Broadcasting Act and the Board of Broadcast Governors comes into the picture. Once you have a microwave set-up from the U.S. border to Calgary or to Edmonton or to Winnipeg—and I believe an application for CATV has been denied there—or to any other area in Canada well removed from the border, which would have to be served by microwaves, then you are into a different situation. This is a case where I think the local broadcaster would want to be heard because a new element would be brought into the broadcasting picture of that particular area.

I am just wondering if it is realistic of the national association to pretend that the situation which exists now is going to exist in the future. You do not want to be brought under the Broadcasting Act. I think you can make a case for what you are saying, as the situation now exists, but we are trying to look several years ahead as we discuss Broadcasting Act. Is it realistic for you to take this attitude and say: "We are as we are now and this is the way it is likely to be. We are simply receivers near the U.S. border and that is all we are going to be." Is this a realistic situation.

Mr. METCALF: Mr. Chairman, that is not what we are saying.

Mr. PRITTIE: Will you please expand on this.

Mr. METCALF: What we are saying is that CATV—the term means Community Antenna Television—is a reception service. It is purely and simply that. Mr. Allard suggested in his opening remarks that anything more than that we quite agree should come under the Board of Broadcast Governors and be made a condition of a pure CATV licence.

Mr. PRITTIE: Thank you. You agree then that if any of your companies wanted to get into the microwave system, to expand their service farther into Canada, and/or originate broadcasts the picture would be different and you would not be making the same case as you are making today. There may be some justification then for the—

Mr. METCALF: We say make it a condition of the licence.

Mr. ALLARD: We would not mind at all, Mr. Chairman, appearing before the BBG if we would wish to originate programs or we wished to make use of microwave relays because at that point we would be in effect broadcasting. We would be doing the function of a broadcaster and we would also be making use of public airwaves.

Mr. PRITTIE: All right. I will accept that, sir. Really most of the questions that I have will come up when we are discussing the brief put in by the gentlemen from Calgary.

I just have one other question to your group. The White Paper suggests that the same set of rules which the Department of Transport are now applying to you be brought under the Broadcasting Act. If that is all to be transferred from the DOT to the Board of Broadcast Governors what is your objection other than saying that you are not broadcasters? Do you have any other objections beside the four or five conditions which you have to meet? These are simply transferred from one jurisdiction to the other. What is your objection to that?

Mr. ALLARD: Our basic objection is this: First of all, one has to presuppose that if the same set of rules which govern us today are brought under the Broadcasting Act the other rules which are contained in the Broadcasting Act would also apply to our industry.

Mr. PRITTIE: Not necessarily.

Mr. ALLARD: Program content is one of those and it is the main objection we have, sir.

Mr. PRITTIE: I would suggest to you that the Broadcasting Act could make a distinction between those who are originating broadcasts and those who are relaying broadcasts by the means which you are using at the present time.

Mr. METCALF: Mr. Chairman, the joint committee of the DOT and BBG have recommended that the BBG be given the power to regulate CATV program content. This was tabled in the House of Commons. Mr. Allard, you have a copy.

Mr. ALLARD: May I just read this. It states:

> (2) authority for the Board to regulate such stations in regard to program content and other non-technical matters (the Department of Transport would continue to deal with technical aspects);—

Mr. JAMIESON: Mr. Chairman, what is that document?

Mr. ALLARD: This is a report by a joint committee on community antenna television of the Board of Broadcast Governors and the Department of Transport to Mr. Pickersgill and Mr. Lamontagne.

Mr. COWAN: Dated when?

Mr. ALLARD: Dated November 19, 1964. It was published in *Hansard*.

Mr. COWAN: Yes, I am well aware of it. That is why I drew Mr. MacDonald's attention to the situation.

Mr. PRITTIE: I would suggest to you that even if you were brought under the Broadcasting Act the regulations could be so written that if you are not originating broadcasting nothing which has to do with the origin of broadcast would apply to you. I will let it go at that. I think the main questions which we would be concerned with is not your existing system but the future envisaged by the applications as a result of microwave systems coming into the country. You agree that this is a different set of circumstances and that you are not making that case today and, if that case were being made, your view would be different and the Broadcasting Act might apply.

Mr. METCALF: Mr. Chairman, there is a point here which I think is fundamental to our whole case and that is that they have requested this power and, presumably, having requested it, they would intend to use it at some stage or another.

Mr. PRITTIE: I will speak to Dr. Stewart about this when he appears.

Mr. METCALF: This is fundamental to our case. If the Committee does not see fit to accept our view in their final analysis and they accept the view that we should go under the BBG I would hope most sincerely that it would be written into the legislation that there would not be the power given to the BBG to regulate program content. This is the power for which they have asked.

Mr. MACDONALD (*Prince*): How would they do that, anyway?

Mr. SHERMAN: Could I just ask a supplementary?

Mr. PRITTIE: I will pass now, anyway.

Mr. SHERMAN: As a matter of fact, I would like to ask a supplementary of Mr. Prittie for my own edification and to clear up a possible misunderstanding. He made reference to a possible community antenna television system being

linked by microwave with Winnipeg and suggested that the application had been turned down. In the first place, no microwave is necessary to bring it into Winnipeg, and, in the second place, when he suggested that the application had been turned down I wondered if he had some inside information which some of the others of us do not know.

Mr. PRITTIE: No, I do not.

Mr. SHERMAN: Is it pending then?

Mr. PRITTIE: I will ask you: Did you mean a simple aerial at the border and cables to Winnipeg? Is this how it was to be served? All right, then cables or microwave what difference does it really make how you get it from the border to the city.

Mr. METCALF: Mr. Chairman, it is contrary to the regulations. You cannot put your antenna any more than 10 miles from the main post office of the centre you are going to serve.

Mr. PRITTIE: This is why Winnipeg does not have a system.

Mr. METCALF: Exactly.

Mr. ALLARD: It would not be CATV.

Mr. METCALF: Right. That is our point.

Mr. HYMMEN: Mr. Chairman, while we are on Canadian content in order to avoid repetition later on I wonder if I could ask a question of Mr. Allard. I think it would be naive to suggest the teasons for the regulations of the BBG regarding Canadian content, regarding the use of the Canadian airwaves, and also the viability and development of the Canadian television industry. Do you agree with the present interpretation as far as Canadian content is concerned?

Mr. ALLARD: Well, again, I think Mr. Metcalf has certain views on that. He has explained them to us this morning and I would like him to repeat those views.

Mr. METCALF: Mr. Chairman, just to make sure I understand the question, are you referring to the 55 per cent Canadian content.

Mr. HYMMEN: It was discussed previously that that is too restrictive.

Mr. METCALF: My personal view—

Mr. PRITTIE: Is Mr. Metcalf speaking for himself or the association in answering a question like this.

Mr. ALLARD: Not being broadcasters we have no views on it as an association.

Mr. PRITTIE: He is speaking as an individual broadcaster.

Mr. HYMMEN: Mr. Chairman, this may not be related but I have a specific reason for wanting an answer to this question because I have another question to ask.

The CHAIRMAN: I think the answer is that the association appearing before us has no position on this question? Is that correct.

Mr. ALLARD: That is correct.

The CHAIRMAN: If Mr. Metcalf wishes to comment personally I am sure Mr. Hymmen would appreciate it. It should be understood that the association is not prepared to comment on that question. Is that correct?

Mr. ALLARD: That is correct.

Mr. METCALF: Mr. Chairman, my own views are that the Canadian public would probably be better served if we did not have the 55 per cent Canadian content. It is quantitative and not qualitative. It is a very difficult rule to live with, as far as broadcasters are concerned. You have so many hours in the week you have to fill up and that is what you do—you fill it up.

Mr. HYMMEN: Mr. Chairman, my other question is: would the basic reason for the establishment of CATV, aside from the profit motive, be better reception and more varied programming? If the CATV objects to the BBG controlling the Canadian content then, with regard to Mr. Metcalf's answer, is the restriction on broadcasting stations in the area immediately adjacent to the United States, for example, too severe and undesirable from the standpoint of the television stations? I think that was the question. If you do not wish control, then why should the CBC station and the private station in the area immediately adjacent, where your area of concentration is, be restricted in their operation?

Mr. ALLARD: Mr. Chairman, in so far as CATV systems are concerned, it is not a question of not wishing to be controlled; it is a question of something over which we really have no control. The BBG, or nobody in Canada, has any control over the fact that signals emanating from the United States do cross the border.

Mr. HYMMEN: Yes, but you cannot legislate on what I am going to receive on my private antenna.

The CHAIRMAN: Mr. Hymmen, I do not want these supplementary questions to stand in the way of the order of the questioning. I think, perhaps, we are getting a little too deeply into your supplementaries.

Mr. HYMMEN: I understand, Mr. Chairman.

Mr. METCALF: May I just make one short comment?

The CHAIRMAN: Yes.

Mr. METCALF: There were CATV systems operating before the 55 per cent content rule was put into effect. I think it is safe to say that at the time we were doing very well and so were the broadcasters and so were the viewing public.

The CHAIRMAN: Mr. Hymmen, if you wish to pursue your questioning later, perhaps, the Clerk will make note of it.

Mr. JAMIESON: Mr. Chairman, I would like to ask Mr. Allard, first of all, what is the degree of saturation in your view that CATV's have now achieved in relation to the maximum amount of coverage they might be able to get across the country under present regulations ? How close are you—I do not mean in terms of the number of subscribers in a community but in terms of the reach that is possible with the present regulations—to the end of the line?

Mr. ALLARD: Mr. Chairman, CATV systems have been in existence in Canada since 1952. It has been in operation for 15 years and we serve today 360,000 households in Canada representing 7 per cent of the total number of households in Canada. Of those 7 per cent served by CATV systems, approximately half of those subscribers receive American programs whether they are connected to a CATV system or not.

Mr. JAMIESON: Perhaps I did not phrase my question sufficiently well. I am not speaking of the number of subscribers you have within a community. If you have 7 per cent of Toronto, that is either bad salesmanship or the fact that a lot of people can get it without having to avail themselves of your service. What I am talking about is the geographic potential that exists. You have certain limitations on your technical reach at the present time owing to regulations. Now, how close are you to a totality of service, if you like, while these regulations are as they are at present?

Mr. ALLARD: I do not believe we have computed the answer to that question, Mr. Jamieson.

Mr. SWITZER: Mr. Chairman, under the present regulations—the ten mile rule and no use of microwave—the industry has expanded just about to its full extent. The major present activity in CATV is in larger metropolitan areas, for example, in Toronto, expansion in Vancouver and other larger cities, very much in the border area where a CATV system is established not to add any additional stations at all. For example, in Toronto, one might say, for practical purposes, that a community antenna system presently being established there, adds no additional stations to speak of. It merely is there as a direct economic competitor to the rooftop antenna. The sales effort concentrates on that and the sales pitch is that our service is so many dollars a month and your antenna costs you so much to buy and maintain and ours makes more common sense; we give you better colour reception; it is the purest possible CATV system. There are still a few cities I might cite, for example, a licence was refused for a community antenna system in Brandon. That is, a cable system would have been built there but the licence was refused by the minister on the grounds that a cable system, even though it met the standard requirements of direct reception, would have inhibited growth of a second station there. These are a very small number of comparatively small communities. I can think of another example, Sarnia. But under the present regulations there are—

Mr. JAMIESON: Was the licence refused in Sarnia, to your knowledge?

Mr. SWITZER: Yes, it was. Sarnia does not even have a first station but we surmised that it was refused on the grounds that Sarnia is on the allocation table for a UHF station and we surmised that perhaps the board felt that the establishment of a cable system there might inhibit the future development of a UHF station in Sarnia. This was rather remote, we thought, but in any case Sarnia is an example of a community that could have cable under the present regulations but it would not bring in distant stations. It would improve the reception and make it more convenient for people to receive Detroit, Windsor, London and the second network from Kitchener which is not presently available in southern Ontario.

Under the present regulations the industry has expanded to its full flower. Our estimates are that if the regulations on microwave were relaxed, this would permit the development of community antenna in Calgary, Edmonton, Saskatoon, Regina, Halifax, St. John's, Newfoundland, Saint John, New Brunswick and the major maritime cities. These are the major population urban areas in Canada that presently do not have American reception but these can only be provided with cable service by a rather drastic revision of the present regulations. Our estimate is that if all of these centres were developed as CATV situations some additional 300,000 homes would subscribe to such services.

We should point out, also, that microwave facilities are expensive, particularly, if they have to come long distances and one should expect then, that with microwave services, only the larger urban centres would be provided with cable service.

The CHAIRMAN: Do you have a supplementary, Mr. Cowan?

Mr. COWAN: Mr. Chairman, the last witness said:

> We can only surmise that the board felt—

To what board were you making reference?

Mr. SWITZER: Mr. Chairman, we are informed by the Department of Transport that applications for community antenna system licences, although submitted formally to the Department of Transport, are referred informally to the Board of Broadcast Governors. The denial of this licence, for example, in Sarnia, was from the Department of Transport.

Mr. JAMIESON: This leads me to my next question and either of you gentlemen can answer.

Mr. MACDONALD (*Prince*): May I speak on a point of order here? The last witness said something in direct contradiction to a statement in the brief on which I questioned him earlier. It says on page 7:

> It has never been shown that CATV threatened the economic viability of any broadcasting station.

He then proceeded to say that in Brandon they were prevented from receiving a licence on this very basis.

Mr. SWITZER: I was personally involved in the Brandon situation. The situation at Brandon now is that the people proposing a community antenna system are still prepared to build the system there and have been before the board. I understand there is a new application to provide a second broadcast service in Brandon before the board. The applicants are on record as not being concerned at all with whether there is or is not a CATV system in Brandon. They are prepared to go ahead with their plans. The CTV station in Winnipeg some years ago was prepared to put up a high power rebroadcast station at Brandon and were on record in the board hearing on that and that CATV for Brandon did not affect their plans at all.

Mr. JAMIESON: In that connection, if the Chairman will permit me to make an observation rather than a question, I think there is a fundamental difference in that situation where you have a rather large metropolitan television station that is merely putting up a repeater. I think there is a difference there between

what would happen to a local operator trying to run a second service in Brandon, but that is only incidental to my line of questioning, in any event.

What I wanted to ask you was this. In these cases where there has been a refusal, does your association accept that as being—I know that you may writhe under it a little bit—but do you agree that this is a proper function for DOT? In other words, do you consider it proper for DOT to turn some of these down on these grounds? Have you made formal representations opposing this kind of arrangement?

Mr. ALLARD: We have made informal representation opposing this kind of arrangement.

Mr. JAMIESON: There has been a lot of informality.

Mr. ALLARD: That is right.

Mr. JAMIESON: I am not quite clear on whether or not you accept that somebody has a responsibility to protect the economic viability of existing stations, particularly as we are now getting to the smaller markets. I am not passing any personal judgment, at the moment, I merely want to know what your stand is on this. For instance, if somebody says, sorry we cannot put you into Brandon because it will destroy or be dangerous to, free television, do you accept that?

Mr. ALLARD: We do not, really, Mr. Chairman, because we feel that this is an assumption which is not based on fact.

Mr. JAMIESON: Let me ask another question that bears on the same matter. Let us take a case such as Lethbridge. This one has not been mentioned but I understand that it is one of those where some problems exist. I do not even know if there is a system into Lethbridge yet, but there probably is. Is there?

Mr. ALLARD: There is.

Mr. JAMIESON: As I understand it, using Lethbridge as an example, the introduction of closed circuit television means that people in the built-up urban area can get alternative service, and that this is a fairly substantial segment of the total population of the area. But what appears to be the problem here—the question in many people's minds—is that in comparable areas to that the very fact that a CATV system has siphoned away a portion of the audience—that is in the built-up urban region—makes that far less attractive in terms of a second free service going in. The result of this is that people to whom CATV is not available, like, for example, rural dwellers, farmers and people of this kind, whom you cannot serve or might find it difficult to serve under CATV, are deprived of a second service. I put that forward as one of the arguments that is advanced as a reason why CATV can interfere with the growth of so called free Canadian service or alternative service.

Mr. PRITTIE: What is free service, Mr. Jamieson?

Mr. JAMIESON: You know what I mean, as opposed to having to pay a monthly fee; something that simply goes over the air for the purpose of being picked up. We will not get into semantics but I think you know what I mean, Mr. Prittie.

Mr. COWAN: The CBC costs us $143 million a year.

Mr. ALLARD: I imagine, Mr. Chairman, that one would be interested in knowing the magnitude of the problem in this particular area. We have some information on that which Mr. Switzer, I believe, has available.

Mr. JAMIESON: I used that only as an example. I suggest there may be others and that is why I asked you what the potential was beyond what you already have.

Mr. ALLARD: I believe we have some information on that.

Mr. SWITZER: If I can find the right pile of figures, Mr. Chairman. There are 32, I believe, what are considered single station markets in Canada and of these some 12, including the example of Lethbridge, already have CATV. That is they are *fait accompli* and I doubt whether any member of the House would want to be responsible to his constituents for the cutting off of the service already available. Out of these 32, there are probably only three of the ones that do not have CATV service already that are possible prospects for CATV under existing regulations.

Mr. PRITTIE: How many did you say have it now?

Mr. SWITZER: Twelve.

Mr. ALLARD: And of the remaining 22, three are likely CATV prospects?

Mr. SWITZER: Only three, and out of that 32, some two, or at least one, is coming off the list probably later this year, that is Saskatoon, and very likely, I am sure, that the pressure on the Board of Broadcast Governors from all of these communities for second free broadcast services is such that some kind of accommodation has to be found for them; some way has to be found to provide a second broadcast for them. If one considers Lethbridge as a typical case, and it happens to be the community in which I live, the station at Lethbridge has a weekly reach of the order of 40,000 households. The CATV system there passes some 10,000 homes in the city of Lethbridge. It presently serves approximately 3,300 residential households and the company itself expects that it will, within a three year additional period of time, serve a total of about 5,000 households. Now, this is 5,000 out of a total audience of 40,000 homes for that station. This proportion of the potential in a station's kind of home urban area to their over-all service area, is probably typical except in two cases which we will admit to and that is the situation at the lakehead and the situation at Medicine Hat where the urban area represents a more substantital part of the station's over-all service area. But 5,000 CATV households in Lethbridge out of a 40,000 household reach for that station, we do not believe is a really significant figure in their economics. In that particular case at Lethbridge, television station CFCN, the CTV station at Calgary, is very firmly on record, and I am sure has applications before the board or ready for the board when the board is willing to accept them, for a rebroadcast facility at Lethbridge. They are also on record at previous board hearings that CATV in Lethbridge is not a factor at all in their plans for providing alternate service in that area. I understand the established broadcaster in Lethbridge has pending before the board an application to provide the second service under his own auspices as a most economical form of providing a second channel service without too seriously harming his own station. There have been

proposals to the effect that a second channel service in a community like Lethbridge should perhaps be provided by the CBC, but the figures that we have on what happens to station audiences and station economics indicate that the most serious competitor a broadcaster has is another television broadcaster. This competition is inevitable in every market in Canada. It becomes inevitable sooner or later because of public demand for a second free broadcast service. This competition is serious for two reasons because they are competitors on the first level, that is, they are competitors for advertising revenue—and cable television is not a competitor for advertising revenue—and they are competitors on the second level, that is, they are competitors for audience. At this level CATV is a competitor, but they are not nearly as serious a competitor as an eventual second station would be in Lethbridge, in Brandon, or in all of these 32 communities. We believe that realistically second station services are going to be provided in these communities in one way or another. We consider it to be absolutely inevitable, first, because of public demand and, second, because of the demand for advertising facilities all over the country, that is, for advertising time. This was pointed out in the Firestone report.

Mr. JAMIESON: I think your quote from the Firestone report left out an important qualification, and I believe it is important that members know this. There is no guarantee in Firestone's predictions that this largesse is going to be divided evenly across the country. In point of fact, a good deal of what Firestone says arrives at the conclusion that the rich are going to get richer and the poor are going to get poorer. This is a very valid point with regard to the extension of CATV into the smaller communities because they are not likely to benefit from this additional advertising in the same way as the metropolitan markets. However, I do not think that is relevant to the matter we are now discussing.

You commented a great deal this morning about the present state of your industry and the fact that you are a community antenna television reception service and, like Mr. Prittie, I cannot argue that there is too much wrong with that point of view. We are talking about the future. First of all, as an association have you made any formal or informal representations to obtain greater access to microwave for extension of service?

Mr. ALLARD: No, not as an association.

Mr. JAMIESON: Are you now prepared to say that your members have no interest in obtaining at any time in the future greater access to microwave? Are you content, in other words, to be purely and simply a community antenna television system?

Mr. METCALF: Mr. Chairman, I think the only answer we can give is that we are speaking for an association and the association is formed of many, many individuals and many companies. They may put forward a view next week that they do not hold today, and we are not in a position at this moment to say what we will do years from now. I think it is fair to say that the regulations as they stand and as they could be amended, as we have suggested, would mean that it would be reviewed if such a change were made.

Mr. JAMIESON: I would like to ask a supplementary or complementary question which I think relates to the one asked by Mr. Prittie. Is my understanding correct that in the event a greater use of microwave becomes a part of the

whole CATV operation, you would not then be opposed to some participation by the Board of Broadcast Governors. Is that a correct statement of your view?

Mr. ALLARD: I would be prepared to say yes, we would not object—

Mr. JAMIESON: In other words, as long as you are merely taking something off the air and as long as the present regulations are in existence, you maintain that you should not be subject to BBG control?

Mr. ALLARD: That is correct.

Mr. JAMIESON: But if, on the other hand, in the development of your industry, and if there is this maximum which you now can reach—you apparently are coming pretty close to the end of that—and you see opportunities for advancement which will involve microwave or other use of Hertzian waves, would you then agree that this should become a part of BBG?

Mr. ALLARD: I would say so.

Mr. SWITZER: Only in that function, Mr. Chairman. We would not want at that time to have the standard, everyday community antenna system brought under potentially restricted regulation just as an excuse to regulate the microwave aspect.

Mr. JAMIESON: I think, as anyone who has any knowledge of my views knows, I am in sympathy with the view that we should not have too great regulation. However, I am also faced with the problem of trying to sort out a lot of complex and conflicting opinions because, it seems to me, the suggestion of program control is quite valid in the terms in which it was stated. For example, there are exclusivity clauses in program contracts. A case in point is sporting events. Many productions are leased by the producer on the understanding that they will be exposed on a particular outlet in a particular community. CATV, which is unregulated as to this element, can, in fact, be in breach of this exclusivity clause in program contracts. It was for this reason, I believe, that this recommendation was put in. I do not think there was any intention of saying, for instance, that your pick-up of an American signal should contain 55 per cent Canadian content, or that there should be any attempt to balance these off, because I think everyone agrees this is almost virtually impossible. How do you feel about this angle of CATV obtaining exclusivity on similar contracts?

Mr. ALLARD: As I said in my opening remarks, Mr. Chairman, we are in favour of control by the Board of Broadcast Governors on program origination. However, there are two functions of CATV systems over which we feel the Board of Broadcast Governors should have jurisdiction. This does not necessarily mean that the Board of Broadcast Governors will not allow program origination or the use of microwaves, but we feel they should have control over those two functions.

Mr. JAMIESON: I do not think I was even talking about control, although I would like to get to that. I am talking about picking up an American station which is carrying a particular program. A licensee in Canada may have paid a substantial amount of money for that particular program and, in fact, will have an undertaking from the producer of that program that the price he pays gives him exclusivity. Theoretically, it may have been sold to a station thousands of

miles away. You then bring it in and the person who has paid the very large amount for exclusivity finds that the program has been exposed in his area; in fact, perhaps even before he has had an opportunity of putting it on the air.

Mr. ALLARD: Would you not agree that this enters into the field of copyright?

Mr. JAMIESON: I am not sure. I know this has caused a great furore in the United States. The point is that the BBG saw this problem and therefore it largely confined its references to programming to that one area. In other words, I think you may be too alarmed about the prospect of program control per se.

Mr. METCALFE: Mr. Chairman, the signals are broadcast. They are in the air. They are presumably broadcast so people can receive them. We receive them. That is the end of the trip.

Mr. JAMIESON: We are not talking so much about existing circumstances. I think Mr. Prittie is absolutely right when he talks about the next phase, which is the microwave phase. I will abandon that until we have the next witness before us.

On the question of program origination, am I correct in assuming that within most systems there is a capacity to deliver material within a community that has not, in fact, been picked up out of the air?

Mr. ALLARD: Yes.

Mr. JAMIESON: For example, at the Lakehead you could attach a telecine film chain somewhere at the end of the cable and feed programming into it quite easily.

Mr. ALLARD: Yes.

Mr. JAMIESON: Similarly, you could run a music service on that kind of arrangement?

Mr. ALLARD: Yes.

Mr. JAMIESON: Is much of this being done with respect to a music service?

Mr. ALLARD: No, not with respect to a music service, but many systems in Canada do provide FM to their subscribers which they pick up from the air.

Mr. JAMIESON: That is a different matter. I am referring to someone, for instance, cranking a gramophone and playing records.

Mr. ALLARD: No, this is not being done.

Mr. JAMIESON: Are some of these not being used as a service which is comparable in some respects to a Musak operation?

Mr. ALLARD: No, not to my knowledge. There may be some operators who provide background music to their subscribers, but it is in their homes.

Mr. JAMIESON: Are there any instances of television program originations by CATV operators?

Mr. ALLARD: Yes, there are.

Mr. JAMIESON: In other words, they are now in the programming business?

Mr. ALLARD: Yes. We are not representing that function.

Mr. JAMIESON: Do you feel that function should come under BBG?

Mr. ALLARD: Yes, we pointed that out in our opening remarks.

Mr. JAMIESON: How do you separate these? How can the BBG turn a blind eye to one part of this and not to the other?

Mr. ALLARD: The DOT would issue a licence to a CATV operator on the condition that he will not originate programs. If he wished to originate programs he would have to refer to the Board of Broadcast Governors for permission to originate such programs.

Mr. JAMIESON: Is that the case at the moment?

Mr. ALLARD: No.

Mr. JAMIESON: You are prepared, then, to accept the qualification that if you originate programming you would, in effect, be put on the same basis as someone putting it over the air in the conventional manner?

Mr. ALLARD: Yes.

Mr. SWITZER: But only that aspect, Mr. Chairman.

Mr. ALLARD: Yes, that aspect and also the aspect which was raised previously, the question of the use of microwave.

Mr. JAMIESON: It seems to me that the regulations with regard to obtaining a receiving licence is going to wind up as very very small part of this. In other words, it is no different than a conventional broadcaster—if you are going to program—getting a licence to build a transmitter. You get a receiving licence from that side of it, but that receiving licence is essential to the programming aspect, is it not? In the great majority of cases you have to put together a mix.

Mr. ALLARD: It would not be essential. A person could erect a CATV system in the community without obtaining authority from the Department of Transport to erect a system per se and tie his studio into the end of the cable system and originate programs. You do not require the authority of the Department of Transport to do that.

Mr. JAMIESON: Do you require anyone's authority at the moment to do that?

Mr. ALLARD: I do not believe so. It is strictly a provincial matter.

Mr. JAMIESON: But the stringing of the cable, is that not a municipal matter?

Mr. ALLARD: Yes. You need a permit from the local municipality in order to conduct your business.

Mr. JAMIESON: This is most interesting. Do you think it is practical—and possibly profitable—for someone in a built-up area to run a cable around, apply a programming source to the other end of it and feed it out for a fee?

Mr. PRITTIE: That would come under provincial jurisdiction in a closed circuit operation.

Mr. JAMIESON: Is it, though?

Mr. PRITTIE: It has been decided, I believe, by a court of appeal in British Columbia. It is mentioned in the brief.

Mr. JAMIESON: Yes, but I think there is still some question whether they even have that much authority. In other words, if you can get the authority to put the cable on the poles, you are in business.

Mr. ALLARD: I think you know better than I how much it costs to program. Now, it is a question of supply and demand. In a community like Montreal or Toronto for instance, where you have many of these stations providing free television to the community I cannot see how you could economically run a viable business by providing closed circuit programming over a wired system.

Mr. JAMIESON: If you had a closed system that was offering say, three or four services, then there might be justification for putting something you originate yourself into a fourth or fifth channel on that cable?

Mr. ALLARD: Yes, but there again in the origination which we are recommending, where the CATV operator does anything outside the pure, simple function of a superior antenna reception, that should come under the Board of Broadcast Governors.

Mr. JAMIESON: I have one final question. Do you really think that a CATV operator, if he were required to take on the same commitments as a licensed broadcaster, would be willing to meet not only the 55 per cent but also the 18 hours a day, and I am speaking about varied, comprehensive, all that kind of thing?

Mr. ALLARD: If he is going to broadcast he should be willing to accept the fact that the same conditions that apply to broadcasters would apply to him.

Mr. JAMIESON: But you say that some of them are doing it now?

Mr. ALLARD: Some of them are doing it now.

Mr. JAMIESON: What are they doing, merely showing film, or something?

Mr. ALLARD: They are showing films and originating live programs from their studios.

Mr. JAMIESON: Well then, the effect of what you are saying, really is that they would be required to cease and desist?

Mr. ALLARD: Unless they get permission to continue from the Board of Broadcast Governors.

Mr. JAMIESON: On the same ground rules as licensed broadcasters?

Mr. ALLARD: Correct.

Mr. METCALF: We do not know what those rules would be, Mr. Chairman.

Mr. JAMIESON: I am just wondering why you would agree to that when, as Mr. Prittie says, the closed circuit appears to be best under provincial jurisdiction, and there is some question as to whether there is any jurisdiction.

Mr. SWITZER: That was the reason, Mr. Chairman.

Mr. ALLARD: There would be jurisdiction here, Mr. Chairman, because, as we have suggested, it would be made a condition of the CATV licence that before

the operator to whom the licence is granted originates programs he must seek authority from the Board of Broadcast Governors.

Mr. JAMIESON: What you are saying here is "Better the devil you know than the devil you don't know"?

Mr. ALLARD: Exactly.

Mr. METCALF: Mr. Chairman, it is interesting to note that telemeter, which was a closed circuit program-originating entity that was operated for some three or four years in Etobicoke in Toronto and then went out of business, had three program sources and had very good programming. However, they lost so much money they went out of business. So, it is not as simple as one would make it out to be. It is not merely a matter of stringing a few cables around and running off some programming. Mr. Jamieson certainly knows this.

The CHAIRMAN: I believe Mr. Shiel has a comment.

Mr. SHIEL: Well, I was involved as a technical observer in the PUC case in British Columbia, and I think what we are attempting to say here is that closed circuit should come under whatever authority is finally determined to have jurisdiction over that operation. I do not think that we are in a position to say that as lawyers we can state firmly that we seek to operate under the BBG. What we are saying is that we believe, from an equality point of view, that if we are broadcasting we should be subject to broadcasting rules.

Mr. JAMIESON: And you accept as the definition of the term "broadcasting" that it is the dissemination of programs which you originate yourselves, whether the use of Hertzian waves is involved or not?

Mr. SHIEL: I think we do from a logical point of view, as opposed to a legal point of view.

Mr. ALLARD: There may be quite a difference. Thaat is a lot better, a logical point of view.

Mr. SHIEL: Thank you, Mr. Chairman.

Mr. RICHARD: Mr. Chairman, in case members agree with what the last witness said, I would like to interject at this time. I think it is a perfectly legal point that the federal government has no authority over closed circuits and broadcasting within a province unless it is through the air.

Mr. NUGENT: Mr. Chairman, I was out of the room while Mr. Prittie was asking some questions so I hope I will not be repetitive. I am concerned with the general argument that this association should not come under the Board of Broadcast Governors because they are strictly receivers and not broadcasters. I wonder if you can help me with the logic here, which I have trouble in following. It seems to me that the business of a broadcaster is to bring his program to his potential viewers. Is not setting up your transmitting station and beaming it at the area where the receivers are located, beaming that signal out and making it available to the viewer, is part of the broadcaster's business, Mr. Allard? Is that not correct?

Mr. ALLARD: Yes.

Mr. NUGENT: And then in some cases where they find reception is bad, or they want to reach a distant or isolated or peculiar area, they put up repeaters to bring it one step closer or clearer. Is that not correct?

Mr. ALLARD: Yes.

Mr. NUGENT: I suppose, then, that if a broadcaster decided that even with the repeater station there was one pocket that could not be reached by the normal system, he might find it useful to put up a cable system to serve that area. Would that not also be part of his business of bringing the program to the viewer?

Mr. ALLARD: It would be possible, yes.

Mr. NUGENT: Therefore, what you are suggesting now is that if a broadcaster does exactly as you do, he is in the broadcasting business, but when you do it you are in the receiving business?

Mr. ALLARD: No. The broadcast intelligence, Mr. Chairman, can only be received if the individual receiver is connected to an aerial, be it a rooftop aerial or the commonly known rabbit ears. What we are doing is simply receiving the broadcast intelligence.

Mr. NUGENT: That is all a repeater station does. It receives the broadcast and sends it out to the viewers, does it not?

Mr. ALLARD: Yes, but it is re-broadcast. It is making use of air waves in order to re-broadcast the intelligence.

Mr. NUGENT: But the point is that it is part of the distribution system. A broadcaster is a distribution system. To receive the broadcast he might use a repeater station or he might use cable. You have agreed with me that the business of the broadcaster is to get the program to the viewer. He is in the broadcasting business and your business really is in assisting the broadcaster to get it to the viewer. Is that not it?

Mr. ALLARD: Our business, really, is to receive that which is broadcast.

Mr. NUGENT: No. Your business is to receive it and to distribute it yourself to other people. I would use the term "broadcast it" but you use the term "distribute it".

Mr. ALLARD: Well, certain manufacturers assist broadcasters.

Mr. NUGENT: I beg your pardon?

Mr. ALLARD: Yes, certainly.

Mr. NUGENT: Are you not just assisting the broadcaster to get to the viewer?

Mr. ALLARD: Well, so are certain manufacturers.

Mr. NUGENT: Fine. The only point I am making, then, is that in your brief your entire submission is because you are not broadcasters you should not be under the BBG. You are just receivers.

Mr. ALLARD: That is right.

Mr. NUGENT: And that you are an intermediary step or an assist to the broadcasters as much as you are to the viewers. I cannot see that you should object, because you are an integral part of the broadcasters' legitimate business, which is bringing it to the viewer.

Mr. ALLARD: But, Mr. Chairman, we understand that the Board of Broadcast Governors has jurisdiction over that which may be broadcast. If you wish the Board of Broadcast Governors to also have jurisdiction over what it to be received, then I must agree with you.

Mr. NUGENT: But the Board of Broadcast Governors not only has jurisdiction over what is to be broadcast, they have jurisdiction over where it is broadcast, do they not? In other words, the distribution system of their broadcast comes under the Board of Broadcast Governors, is that not correct?

Mr. ALLARD: That is correct.

Mr. NUGENT: So that you cannot say they do not have jurisdiction over where it may be received. If part of the distribution system is already under the Board of Broadcast Governors, are you then not in that same position? It is true it is not quite the same distribution system as a repeater station, but you are also distributing to a wider audience and, as we have already agreed, the Board of Broadcast Governors has control over where that signal may be distributed.

Mr. METCALF: But it surely must follow, Mr. Chairman, if you take that line of reasoning, that the set manufacturer is in the distribution business. The people who put up rooftop aerials and the people who make the lead from the rooftop aerial down to the set are all part of the distribution. I do not think anyone will argue that broadcast without reception is a complete cycle. We know that reception and broadcaster are tied together but they are not the same thing. Just because you have a large antenna with a long lead to the set it does not in any way make it different than if you have an antenna on your roof with a shorter lead to your set. If you assume that it makes a broadcaster out of everyone who helps to get that image on the screen, then surely rooftop antenna manufacturers and wire and set manufacturers are all bound up in it.

The CHAIRMAN: But is there not a distinction, sir,—and perhaps Mr. Switzer wants to deal with this—between distributing sets or antenna and distributing programs?

Mr. SWITZER: Mr. Chairman, the association acknowledges the jurisdiction of the federal government over all aspects of broadcast television distribution, including community antenna. We also understand, on the advice of counsel, that such jurisdiction extends, if the government wishes to apply it, to individual household receivers. I am sure many of us remember the time when individual household radios were licensed by the Department of Transport at $2 a head. This jurisdiction still exists and it is acknowledged by the association. We argue that this particular small segment of the television distribution industry should not be singled out and separated for example, from the standard rooftop antenna, the apartment house which has a master antenna serving several hundred households or the large hotel. For example, the Royal York Hotel, in technical terms, is identical to many community antenna systems and has more television sets connected to it than more than half of the community antenna systems in Canada.

Mr. JAMIESON: Will Mr. Nugent permit me to ask if that is licensed?

Mr. SWITZER: No, it is not licensed. It is not required to be. In addition, in the way the act is applied to the present regulations, a co-operative community antenna system is not licensed because it is not operated for gain. The jurisdiction, Mr. Chairman, is acknowledged very clearly, and we have copies of legal precedents. For example, there was a recent case in the British Columbia courts on this point. We are arguing that we should not be singled out and if we are to be regulated, it should not be by the Board of Broadcast Governors.

Mr. NUGENT: Well, the basis of that argument is that you are receivers and not broadcasters. However, without labouring the point I still say that you certainly must come to a point some place where it is part of the broadcaster's business to make the program available, and at least in that area you are doing the same business as a broadcaster. Next, by the questions of Mr. Jamieson and others, we have these other services, we have programming, telecines, music service, etc., that can be made available by this system and where it is said, "This would be all right if they provide that service under the BBG". I submit that simply because a particular operator provides one type of service, and another provides a little less service, that it does not change the inherent nature of your business of distributing programs rather than just receiving.

Mr. SWITZER: The community antenna business is not one of distributing programs. We claim that is the rental, the hiring of an antenna to replace, in most cases, your own personal antenna. We feel that if we charged the subscriber for the individual program which he received or, in effect, if he had a meter of some kind on his set and he paid us according to programs that he received, this would be a distribution of programs. However, we are not doing this. Firstly, the regulation prohibits us from deleting from programs or editing or cutting them up in any way and, secondly, it is just the nature of the business as it is established in Canada that there is no control by the licensee of the community antenna system on the flow of programs through that distribution system. Everything that is received on the master antenna is distributed in its entirety, without deletion and without technical alteration of any kind, to the contracted subscriber. As you may lease a car instead of optionally purchasing one, in our case you may lease your antenna service instead of putting up your own antenna.

Mr. NUGENT: I understand your argument very well, but I wonder what you have to say about this. The ordinary broadcasters are subject to the regulation and control of the BBG as to the audience that they may cover in their broadcasts—you say you just use the air waves—and what happens is that you take the program that the BBG has allowed them to broadcast for use in a certain area and you extend it to an area that is beyond the normal reach of that station, thereby getting permission to do something that the station itself cannot get authority for from the BBG. Do you follow me? What is your comment on whether or not you should be subject to regulation, because the area to be covered by any broadcaster is something for which they have to get permission. In other words, they are told by the BBG what audiences they can reach and you are suggesting that because you can reach other audiences by use of cable that you should not be subject to the control of the BBG.

Mr. ALLARD: May I make an analogy and I hope it is going to be pertinent. Municipalities, at least in the province of Quebec, as I understand it, are controlled by a water board as far as the use and distribution of water are concerned. Since the water itself is distributed by means of pipes, in effect controlled by plumbers, is one to suggest that the plumbers should also be subject to the control of the water board?

Mr. JAMIESON: At the prices they charge me, I would say, yes.

Mr. NUGENT: I do not see any analogy at all, Mr. Allard, I would rather you dealt with my question.

Mr. SWITZER: Mr. Chairman, there is a technical matter that becomes involved. I understand that the Board of Broadcast Governors does not specify a certain area that can be covered and to draw a line on a map and to say that the television signal may go to this line and no further. I am sure if they could they would draw a line on the 49th parallel and say that signals may go this far and no farther.

The Board of Broadcast Governors receives a technical application from the Department of Transport for a television of certain power—so many kilowatts of power on a certain channel at a certain height above ground. There are some very broad rules of thumb in the broadcast engineering industry for how far a signal will generally go from such a power on such a channel and the authority, then, that the board gives is to establish such a station of so many kilowatts at 1,000 above ground level, for example, on a particular channel and at a particular location, but this is the extent of the authority. It is just a rule of nature that you cannot draw a copper screen or copper curtain and say that a television wave can go so far and no farther.

The technical regulations under which community antenna systems are presently licensed, in effect, take account of this technical fact by limiting the distance at which an antenna may be placed from the community to be served. They, in effect, acknowledge that a television signal will go that far and that a community antenna system does not seriously distort what you might call the natural coverage pattern of a television station. As long as community antenna systems are built to these rules, that the antenna must be within ten miles of the station to be served, that microwave facilities must not be used, then the community antenna system does not distort the original coverage intent of the board or of the broadcaster. It may stretch it a few miles.

We have instances in the records here of direct reception from television stations from as far as 200 miles away, and a community antenna system, because it pools, generally through a private enterprise entrepreneur, the financial resources of a great many of its subscribers, it can afford to build a far more substantial and a far more sophisticated antenna than any individual householder. For example, the cable system in the city of Weyburn uses a receiving tower 970 feet high. It is probably the tallest receiving antenna ever built for the reception of television. Other systems are using some of the most sophisticated reception techniques that we know. But this is the pooling together of the financial resources of a great many individuals so that, in effect co-operatively, but in a licensed system, because it is operated for gain to a private enterprise company, they pool together to build themselves a better antenna than they

could build themselves. Any individual in the city of Weyburn, if he could afford it and had the space, is at liberty to put up a 1,000 foot tower as Mr. Jamieson has written in his book, where does one draw the line on how tall an antenna or how big an antenna or how powerful an antenna may be built?

Mr. FAIRWEATHER: I have a supplementary question and Mr. Nugent was kind enough to say that I could ask it.

You used the analogy—I am not getting into the water system—of the car rental system. Would you not agree, though, in car rentals, you could rent that car and sit it in your driveway and never use it and nobody is bothered. However, once the car goes into the public domain, the highway, which is the same public domain as the airway in my analogy, then you should be subject to the rules and regulations, the same as everybody else whether they own—

Mr. ALLARD: We are, Mr. Chairman, to the extent that we have to pay municipal taxes in the municipalities in which we operate.

Mr. FAIRWEATHER: No, I do not mean municipal taxes. You have to pay the rent on the rental car, and the sales tax and so on. But you are using part of the public domain, the airways of this country.

Mr. ALLARD: I beg to differ. We are not making use of the airways. The broadcaster makes use of the airways. We do not make use of the airways except when we make use of microwaves.

Mr. FAIRWEATHER: In Calgary?

Mr. ALLARD: Yes, that is the Calgary application, yes.

Mr. MCCLEAVE: How do those programs reach anyone if you do not make use of the airwaves? How does it reach receiving on distributive centre if you do not make use of the airways?

Mr. ALLARD: The programs happen to be in the air and they come in on airwaves. They are only in the air because they have been authorized to be put in the air.

Mr. SWITZER: Mr. Chairman, I made the automobile analogy and I would like to answer to it. I believe the analogy is apt in that there is no difference in the use and the regulations imposed on the driving of a rented car from the driving of an owned car. It obeys the same speed limit; it obeys the same traffic regulations whether it is owned or whether it is leased. It is merely a matter of economic convenience to the user of that car whether he chooses, or a persuasive salesman, perhaps, induces him, to own his car or to lease it.

The CHAIRMAN: This is getting to be a rather philosophical discussion. Perhaps we could get back to the matter before the Committee.

Mr. FAIRWEATHER: It was my analogy and—

Mr. NUGENT: I found Mr. Switzer's explanation very helpful in this regard, namely the proximity to the broadcast station and the fact that it is bringing service to many within the anticipated area of the TV station who otherwise would not be able to receive it. I think that is part of it.

Mr. SWITZER: Mr. Chairman, the question of otherwise is critical. A great many, a very substantial proportion and I would say well over half, of the

viewing through community antenna systems is not otherwise negative. They would have had reception anyway; but the figures we have, for example, for American reception are that the present CATV industry in Canada has expanded the viewing of U.S. stations in terms of subscriber hours or subscriber days, or a figure like that, by about 12½ per cent. There is only 12½ per cent more viewing of U.S. stations by CATV than there would have been if there was no CATV at all.

Mr. ALLARD: Mr. Chairman, if I may come back for a moment to the car analogy and relate that to antennae, the subject we are discussing, I should like to say, if an individual sets up business to sell antennae to be erected on rooftops, whether they be 20 feet or 50 feet, if he sells those antennae outright, then he should not be subjected to the BBG, of course, because the individual dweller owns the antenna at that point. On the other hand, if the individual sets himself up in business by renting rooftop antennae, do you suggest that he should be subjected to the BBG because he happens to be renting the antennae?

Mr. NUGENT: I do not think that analogy follows either, because what you are setting up here is not individual antennae but you are setting up a service to further the diffusion of the broadcast and this is the difference.

I want to advance one point further on this question about the type of service. Let us suppose that when a licence is granted to a broadcaster, the broadcasting authorities have in mind that it will reach an approximate radius that would be available to people. In that area, there are some people who, because of dead spots, et cetera, would not be able to get a normal broadcast that you would be able to service. There will be some places where there are technical difficulties and there your services would improve the reception. Am I right in these? Would I be arguing fairly to suggest that if there came a technical improvement in broadcasting itself—it might have to be a major breakthrough —so that that segment could be changed somewhat in its character to overcome those technical difficulties, then there would not be the need of those particular services by your association? Is that not correct?

Mr. SWITZER: Not completely, sir.

Mr. NUGENT: What I am arguing, in any case, is that you are an assist to the broadcaster in that respect in that you clarify or overcome some of the difficulties which a technical breakthrough may allow them to overcome themselves very soon.

Mr. SWITZER: Mr. Chairman, it is conceivable, although technically unlikely, but it is possible, that there could be some kind of technical breakthrough in the technical nature of broadcasting that would make community antenna services unnecessary and this is the business risk that this industry takes. At such time as they become unnecessary, then by the natural law of supply and demand we will go out of business.

Mr. ALLARD: I would like to give an example, if I may. In Montreal, for instance, today there are approximately 50,000 houses connected to the two or three CATV systems operating on the island of Montreal. If you put the CATV systems out of business and tomorrow there will be 50,000 rooftop antennae in

Montreal receiving the same programs which are presently being disseminated by the CATV systems.

Mr. NUGENT: That is right. Here is my difficulty. Suppose the nature of the broadcasting signal is changed technically so that the BBG licences now ordinarily envisaged to cover an area of roughly a hundred miles are suddenly able to cover 200 miles, certainly, I think, that you would not be suggesting that the BBG then would not have to re-examine the licences and make regulations in order to take care of difficulties coming up because of this technical change. In other words, the original basis on which they granted a licence had been changed because of the technical changes and, therefore, it would be their legitimate concern to change their regulations to conform. Is that not correct?

Mr. SWITZER: What licences are you referring to?

Mr. NUGENT: Broadcasting licences, TV. Bear in mind the responsibility of the BBG as to Canadian content, et cetera, and accept as you do, I think, the responsibility, therefore, to regulate broadcasting and relate that to my argument that this is a technical assistance to the broadcaster in order to really reach those homes, can you not live with the idea of being under the Board of Broadcast Governors?

Mr. SWITZER: Mr. Chairman, the community antenna system is not a drastic extension of present coverage. If the technical nature of broadcasting changed so that all of a sudden the natural, or what you might call the natural, the predicted coverage of television stations doubled, then the Board of Broadcast Governors would be faced with the problem of reconciling all the conflicting technical and economic interests of their broadcasters. By this analogy a government agency of that kind is also concerned with something like community antenna which is part of the distribution system; but it is a very small part of the distribution system and no one has suggested that the other 87½ per cent of the television antennae in Canada should also come under the jurisdiction of the board.

If I may make a personal comment, as distinct from an expression of association policy, it is my personal view as a shareholder in community antenna systems, that I for one, would be quite willing to accept any kind of regulation that you care to impose within the jurisdiction of parliament on my community antenna systems as long as that same regulation is imposed on every other antenna in my community, or preferably on every other antenna in Canada because my community antenna television system is a collection of individual householders, of individual citizens who have chosen to rent their antenna service from me rather than to put up their own antennas. To regulate my system, without regulating the rest of the antennas, leads to the kind of incongruous situation where one householder, with his antenna, because of the persuasiveness of my salesman, connected to my system, is subject to one set of regulations, whatever they are, whether they are purely technical or not, and to a licence, because any licence condition on me is also necessarily a licence on my subscriber, a Canadian citizen; whereas his next door neighbour who chose, because he could not afford my service, or he did not like the face of my salesman, or for whatever reason, to run his own antenna is not subject to any condition, to any licence, or to any regulation. My personal view is that I will accept any regulation that parliament chooses to put on community antenna if it is similarly applied to every other television set within its jurisdiction.

Mr. NUGENT: Mr. Chairman, I am not going to worry this to death. I make a distinction between people who are in the business of diffusing a program as compared to the person who has his own antenna for his own personal use. However, I just want to ask this. In your brief you state that you do not believe you should be under the BBG. Perhaps I should have been inquiring a little more extensively into your objection to being under the BBG? Is there any practice of theirs now that you find unnecessarily restrictive, or what would be the impact on your business that you most fear if you are subject to the BBG?

The CHAIRMAN: That question has been asked and answered. I think the answer was that it is the Canadian content rule that they are primarily concerned about.

Mr. NUGENT: Is there another argument other than the fact that you serve only a small percentage of the population anyway and that for that small percentage and the small amount of competition therefore to other stations, you do not feel that government intervention is justified in the way of program control?

Mr. ALLARD: Whatever we receive for the population that is being served today or whatever numbers is served in the future we still feel that the BBG should not have any jurisdiction over CATV, pure and simple, because we do not feel they should control us as to program content.

Mr. NUGENT: Will you answer this one question then? Whether you call yourselves just receivers or not, certainly you provide a way to make it possible for a certain number of viewers in the country to escape the program control content that the government has laid down that people in this country generally are subject to through normal broadcasting on TV?

Mr. ALLARD: So are the hundreds of thousands of individuals in this country who have rooftop antennas.

Mr. NUGENT: Where they are within reach of ordinary channels.

Mr. ALLARD: And so are CATV systems. They must be within reach to operate.

Mr. NUGENT: In other words, if they cannot control them all, then they should not control any?

Mr. ALLARD: That is so.

Mr. JAMIESON: Mr. Chairman, a supplementary question before we leave this; do you work under a regulation now requiring that where a Canadian program service is available it must be included in your service.

Mr. ALLARD: Very much so, yes, sir.

Mr. JAMIESON: That is a matter of regulation.

Mr. ALLARD: It is a matter of regulation, a condition of the licence.

Mr. COWAN: Mr. Switzer, there is a 970-foot tower in Weyburn, possibly the highest in Canada, I do not know the broadcasting stations around that area. Was that erected in order to bring in CBC programs better or in order to give them a choice of getting away from CBC?

Mr. SWITZER: Mr. Chairman, that particular tower was erected to make possible reception from the United States.

Mr. COWAN: In other words, to get away from CBC.

(*Translation*)

Mr. BERGER: Mr. Chairman, I have to admit at the outset that Messrs. Jamieson and Nugent infringed upon a particular subject of interest to me relative to the brief which is before us this morning.

As I refer to the French version of the brief, I will direct my question particularly to Mr. Allard. I want to admit at the outset that I am quite conscious of the great services, which your association renders at a price, of course, through your organization, to the majority of the French population in so far as televised broadcasts are concerned.

Taking inspiration from your brief, on page 2, I note that following a study of the White Paper you are convinced that receiving systems which do not broadcast any signal should not come under the BBG nor be treated as part of a national broadcasting system. And to go on a little bit further—I will try to be brief—you say that if such measures were accepted, such powers given, this would restrict competition, because you say that you are not interested in advertising income. Undoubtedly there is an improvement in the quality of the programmes because of competition, which causes broadcasters to send over the air those programmes which the public enjoys most.

On page 8: "these systems do not compete with broadcasting stations". This is the point that interests me the most. In the field of cable TV, competition exists in the same way as in publishing or motion pictures.

"It has never been proved that CATV can threaten the economics of broadcasting, but the contrary may occur and of course, has occurred."

I will not discuss the Firestone report. I will immediately deal with the subject I had in mind. I am not so much aware of the problems of the Prairie provinces or British Columbia with regard to CATV, but in view of the fact that you mentioned for instance the particular problem of Rimouski,—a sector which I do know very well—we might speak of that. We could speak of Matane, Sainte-Anne des Monts, Murdochville and the Matapédia valley, this entire section of the country. You said, if I am not mistaken, Mr. Allard, that first of all, with such regulations as we have to-day, it would be very difficult for instance for CATV to distribute its services in that area.

To come back to the subject of competition, on page 8 you say that you are not competing with broadcasting stations for advertising revenue. If we look at this particular area—the stations at Rimouski, at Matane or Carleton which serve Gaspé, north and south shores both—we must admit that these private enterprise stations were the first ones, through their own initiative and with their own money, through considerable expenditures—and I know something about that—to bring in any sort of television coverage to this part of the country. If we look to the lower North shore, there is no radio and television service there at all. Therefore, these private enterprise stations which have spent considerable amounts, due particularly to the geographic situation on the north shore of the Gaspé, Matapédia, the mountains and so on, these radio and television stations

for the past few years have had to make giant steps to establish satellite stations in order to relay programmes originating from regional stations or from the CBC.

Consequently, expenditures are increasing constantly in order to be able to serve an area which has not yet been completely served. If CATV, for instance, not being subject to direction from the BBG were now allowed to go into this territory, to offer programmes other than and perhaps more interesting than American programmes in these areas, the rating at the present time would automatically decrease considerably. These stations, which have been faced with considerable financial obligations would then have to deal with competition which might perhaps result in their bankruptcy. Consequently, for this particular area, I would like to have a little more explanation. In some areas, perhaps there is no competition with broadcasting stations, but throughout this entire area, which is an important sector of our country, I think that CATV would definitely be a competitor which might deal a death blow to private enterprise which was the one which initiated radio and TV transmitting on broadcasting systems in that area.

Do you not therefore think that you should be subject to some restrictions on the part of the BBG in order to provide specific protection to this private enterprise which has no other means of survival. This is a problem that involves me and that concerns me, Mr. Allard.

Mr. ALLARD: I have to say that competition would not come from a CATV system at Matane, Mont-Joly, Rimouski, Price, Campbellton or in those areas. Competition would come from the fact that a signal would be available, a TV signal would be available in the air. Competition would come from the fact that if such a signal or signals were available in the air, individuals living in Rimouski could establish on their own roof-top antenna to receive these signals. Competition would come from that.

Mr. BERGER: Allow me not to share your point of view. In Gaspé, for instance, the broadcasting antenna of CKVL-TV is located on Mount Logan, one of the highest mountains we have in Gaspé,—4,000 feet high. If you go barely 20 miles away, you then come down into spots where it is absolutely impossible to place an antenna on any roof. You would have to go back up to the mountain, which would perhaps be too difficult. It is because of our geographical situation that we have these problems. Consequently we cannot really be thinking of establishing roof-top antennas; that would be too costly. I cannot share your opinion therefore. If an undertaking, like yours for instance, which have much greater financial means at its disposal and were to establish a special tower, in order to get these signals from the air, and then to redistribute them through a cable—because financially you do have the means to be able to do so,—then you would automatically destroy the economic stability of the three television stations I mentioned. In order, then, to protect this private enterprise, which was the first to establish itself in the area and which continues to develop as best it can, faced with all kinds of technical and other problems, do you feel that you should be, to a certain extent at least, subject to regulation by BBG. Without such control you would be competing directly with that private enterprise. True the entire area might benefit from some kind of coverage, but on the other hand

all these local stations which render very useful service, in particular through public affairs telecasts or newscasts with which I had the pleasure to be associated for sixteen years, would be automatically destroyed. Ratings, obviously, would fall very sharply and the sponsors would say: "What is the use of using this or that station for my business since people will be listening to something else?" If henceforth people are going to be listening to American broadcasts, because they are more interesting, or to anything else, sponsorship will be removed and along it will disappear income, and with no income, there goes the station.

So here you have an entire region; the entire Gaspé area, the Matapedia Valley, the entire North Shore, upper and lower, which would face economic regression. I feel I must object for this reason to the Board of Broadcast Governors being unable to control a situation such as this, this control being made necessary in the interests of the entire region and its people.

Mr. ALLARD: The BBG should indeed protect that region, I think. I often go to Mont-Joli. I know that region. Recently I went during the holiday season, at the beginning of January. I asked questions in the city of Rimouski, of André Dubé, whom you probably know,—I asked what programmes could be imported into Rimouski, which programs could be available to a CATV system? I came to the conclusion that no program on the air is available for a CATV system in the city of Rimouski.

If programs were available for a CATV system, they would also be available for individuals living in Rimouski. The only way to provide additional programs for a CATV system to operate in that area would be to import programs through a micro-wave setup, as was suggested a little while ago. We have no objection to being subjected to BBG control in the matter of micro-wave use. There is no signal in the Television field. The CATV system cannot exist because of present regulations; the antenna must be located 10 miles from the local station.

Mr. BERGER: Yes?

Mr. ALLARD: Consequently, if there is a signal on the air, we will have a CATV system where people will erect their own antenna.

Mr. BERGER: At Baie-Comeau and Hauterive you have a local CATV system belonging to a Mr. Beaudoin, I think, which gives the ever increasing population concerned, programs which are rebroadcast from the Maritimes for instance, English programs, because there are a great many English speaking people now as a result of the intense development going on in this area. In consequence, and you can check this with CJLR-TV, and CKBL-TV, there has been a decrease in advertising, sizeable enough to affect the financial income of these stations. The cause being this antenna which is receiving a signal which people cannot pick up individually. Already, we have an example, here...

Mr. ALLARD: At Baie-Comeau, I know, you have a certain proportion of people who could perhaps pick up the signal because of where they live.

Mr. BERGER: Yes, on Champlain street.

Mr. ALLARD: Precisely, I know the situation.

Mr. BERGER: On the mountain, on Laval street, back of it and at Hauterive on the slopes.

Mr. ALLARD: Are you going to deny those who live in Hauterive the privilege of being able to view the same programs as those who live within the city who can pick them up with an antenna? The same situation, approximately, exists in Sherbrooke where half the population or so, can pick up programs from Montreal, the other half cannot get Montreal programs because they are located in a valley. So the CTV system in the City of Sherbrooke offers Montreal programming to all.

Mr. BERGER: To conclude, the object of my question, Mr. Allard,—I do not want to prolong the discussion—was simply to find sure and effective safeguards to ensure the survival of stations which have, up to now, gone to a great deal of trouble which in order to give television service to the area. Thas is why I said that, possibly in disagreement with what you mentioned in your brief, more especially on Page 8 etc, that some control should be exercised and some measures taken by the BBG. You have reassured me somewhat.

Mr. ALLARD: I agree. I think control should be exercised over the use of micro-waves.

Mr. BERGER: Thank you, Mr. Allard. I have no further comments in this respect.

(*English*)

The CHAIRMAN: Gentlemen, there are apparently some other demands on a number of members which were unexpected. It appears that it is going to be necessary to pursue this, this afternoon, and I wonder whether it would be possible for these gentlemen to return at 3.30 this afternoon? Mr. Davis, would you be available then? If the members of the Committee are available then, we will see that all members of the Committee are notified immediately that the meeting will resume at 3.30 this afternoon.

AFTERNOON SITTING

THURSDAY 19 January 1967.

The CHAIRMAN: Mr. Allard and his associates from the National Community Antenna Television Association of Canada are back with us. Are there any further questions for these gentlemen from the members who are here?

Mr. MCCLEAVE: Mr. Allard, this morning you mentioned the possibility of taking the service into centres in the Maritimes that were somewhat remote from either microwave or land line.

Mr. ALLARD: Mr. Chairman, I suggested that these far remote stations in the United States could be brought into areas such as Halifax, Sydney, Charlottetown on Prince Edward Island by means of microwave and by no other means. But I have also suggested that CATV systems, which we represent today, should not be permitted to make use of microwave systems to bring distant stations into a community unless and until the Board of Broadcast Governors decides that it would be in the best interest of the community to allow a CATV operator to use microwave lengths.

Mr. McCLEAVE: You made quite a point about the fact that yours is really a super-glorified antenna system and that in sending out the signals you are not actually using the airways. I make the point that you receive these programs obviously from the airways. Is it not a fact that the airways are considered public property not only in Canada but in the United States as well, and that both countries have reached agreements as to how they should be allocated to different television stations on both sides of the border.

Mr. ALLARD: That is quite correct. But when you make actual use of the airways to transport a program from one point to another, then you should be subjected to the laws of the land, because you are making use of public property. In our case we are not making use of the airways, in the sense that we are not transporting programs utilizing the airways, which are subject to federal control, to transport programs from one point to another. We are merely receiving programs which have already been transported over the airways.

Mr. McCLEAVE: But there is also the point that the Canadian authorities in effect have set aside certain airways for use by the American authorities through international agreements.

Mr. ALLARD: Yes, but this really does not concern us.

Mr. FAIRWEATHER: This morning somebody mentioned co-operatives organizing. Did I understand you correctly?

Mr. ALLARD: There is a possibility of individuals joining together in order to establish a more sophisticated antenna to receive the programs which are in the air. Individuals can do it; a co-operative can do it; corporate entities can do it for gain.

Mr. FAIRWEATHER: Perhaps I did not appreciate the point this morning. As I understand it, there is nothing now in the law to prevent a co-operative. Was that not said this morning?

Mr. METCALF: Oh yes, co-operatives are not licensable according to the law at the moment. That is your question, is it not?

Mr. FAIRWEATHER: Yes.

Mr. METCALF: Nor are most of the master antenna systems, such as the Royal York, which was mentioned.

Mr. FAIRWEATHER: Really, this would be—and I am not suggesting this—a technique for getting around this.

Mr. METCALF: That has occurred to us.

Mr. SWITZER: Mr. Chairman, there are a number of anomalies that arise out of the exact wording of the regulations under the Radio Act. CATV systems are licenced as commercial broadcast receiving stations, and if one refers to the definition of such a station in the Part II Regulations which are appended, the basis for distinction of a CATV system is its operation for gain, and under that wording there are a number of community antenna television systems which are operated as non-profit co-operatives; the ones that I know are incorporated under the Society Act of their respective provinces as non-profit co-operatives, and most of these systems are not licensed by the Department of Transport.

There are other anomalies, for example, the Royal York Hotel; it is not clear to us how the Department in the interpretation of its regulations does not license something like the Royal York Hotel. The definition presumably is concerned with whether it is operated for gain. We understand that the copyright law, when they interpret "for gain" does consider that the television set provided in a hotel, for example, is an attraction to clients and is part of the general hotel plan of making a profit and that such a set is possibly operated for gain, although it is not a public performance. This is when one gets involved in the detail of copyright law.

Mr. JAMIESON: May I ask a supplementary question which relates directly on something just mentioned.

Mr. SWITZER: Mr. Chairman, I have not quite finished this reply.

Another anomaly that appeared is in respect of four hospitals in Montreal, in which a company operates a set rental service; because each of these television sets has an antenna—it may be a little antenna on the roof of the building, or even a rabbit ear—and because that set rental service operates a television set, which it owns and operates for gain—it rents it—and which has an antenna, it is a commercial broadcast receiving station operated for gain. This company holds four licences in Montreal to cover the operation of its set rental service.

Similarly, if the Department were diligent in the enforcement of the letter of this licensing regulation, I have no doubt that every television set rental service in the country would come under the CATV licensing regulations. Similarly receivers that are operated for background music services are called SCA music receivers. They technically take the place of a land line and one might interpret the present regulations to say that these which are operated for purely technical reasons, are commercial broadcast receiving stations.

Mr. JAMIESON: I just wanted to ask, Mr. Fairweather, because this might throw some light on your line of questioning—you mentioned copyright—if you ever have run into any trouble with CAPAC or BMI on the grounds that you are profiting from use of their copyright material.

Mr. ALLARD: We do from time to time, but we have always, relied and shall continue to do so, on the decision rendered by the courts in the case of Canadian Admiral Corporation, Limited versus Rediffusion Incorporated.

Mr. JAMIESON: Is that a Montreal case?

Mr. ALLARD: That is right.

Mr. JAMIESON: And up till now, in other words, there has not been any judgment that you would have to pay CAPAC, BMI or any of these.

Mr. ALLARD: That is correct.

Mr. JAMIESON: If Mr. Fairweather does not mind, the gist, I gather, of the Rediffusion case was that anything once broadcast goes into the public domain. Is that right?

Mr. ALLARD: That is not quite correct. If I may just try to summarize the decision. It was based on the fact that Rediffusion was privately performing, rather than publicly performing: performance rendered in a household was considered by the court as being a private performance and not a public

performance. Since the corporate laws in Canada are based on whether or not you publicly perform, the case was won by Rediffusion because it was not publicly performing.

Mr. JAMIESON: I suppose you could pipe the strip-tease into five thousand homes and under that definition no action would be taken.

Mr. ALLARD: We would have to keep it very private, indeed.

Mr. JAMIESON: I am sorry, Mr. Fairweather.

Mr. FAIRWEATHER: I have one other question. Every once in a while we have to slip into our own localities. I notice on the list of associates the Fundy Broadcasting Company Ltd., Saint John, New Brunswick. What plans has the Fundy Broadcasting Company for CATV?

Mr. METCALF: A licence was denied them.

Mr. FAIRWEATHER: When?

Mr. METCALF: About a year and a half or two years ago. That company is a non-operating member because the DOT denied their application.

Mr. FAIRWEATHER: I have heard a rumour that another application has been submitted.

Mr. EASTON: I shall answer that question as I am more familiar with the situation. To my knowledge, there were two applications for CATV licences in Saint John, New Brunswick. Both licences were denied by the department on the recommendation of the Board of Broadcast Governors because it was felt that they would, first, harm the local broadcaster and, second, inhibit the possible establishment of a second network service. To this date no licence has been issued in that locality.

The CHAIRMAN: Mr. Easton, could you give us similar information about the two companies in Toronto that were mentioned. Mr. Switzer mentioned earlier that the market for cablevision community antenna service in a community like Toronto is very small. Are these two companies operating successfully in Toronto now?

Mr. EASTON: Yes, Mr. Chairman, but I do not like to commit myself in saying whether or not they are operating successfully because they are in the very early stages of development. Toronto is a typical metropolitan market which, up to now, has not been considered by members of the industry as being an obvious CATV market. The reason for this is that everybody has a roof-top antenna and can receive five or six network programs from the United States and Canada. The prime reason for the establishment of CATV facilities in an area such as Toronto is not to increase the variety of channels or programs available to the public, but to improve the technical quality of reception and particularly in order to provide an adequate technical reception service for the use of colour.

The CHAIRMAN: Mr. Allard said you had a great deal of statistical information available which might answer some of our questions. Do you have any information as to the degree to which the existence of these companies in Toronto has increased the viewing audience of the American stations reaching Toronto?

Mr. EASTON: To my knowledge it has not increased the viewing audience of American stations at all because virtually every person now subscribing to these services originally was receiving two or three of the Buffalo stations through his own antenna. Many people who are now subscribing were experiencing difficulty through interference on their own antennas, perhaps, because high rise apartments were built in front. Without CATV facilities they would now be looking through high rise apartments in an endeavour to receive Buffalo. There are also those people who have either bought or are planning to buy a coloured television set and have been advised by their retailer that they need a much better antenna than they presently have. The cable system in a situation such as this does provide them with the better alternative to a better antenna. However, it is not, to my knowledge, increasing the viewing of U.S. stations in any way.

The CHAIRMAN: Is the purpose of this kind of service primarily to improve the reception of the Buffalo stations?

Mr. EASTON: No. It is something of an anomaly and perhaps an irony. That in a location such as Toronto it is in fact easier with a roof-top antenna to receive good quality pictures from Buffalo than it is from channels 2, 6 or 9. The reason for this is fairly simple. It is a technical reason but it can be explained very non-technically. Anybody with a roof-top antenna in Toronto has his antenna pointing at Buffalo. The CBC channel 6 antenna is located downtown and usually has to crawl into the antenna from the side. The channel 9 antenna is located in Agincourt in the northeast corner of metropolitan Toronto and, for many people, has to come in through the back of the antenna.

The CHAIRMAN: When you referred to the interference by apartment buildings, did you mention Buffalo?

Mr. EASTON: Yes, but it applies to the local channels as well. As a matter of fact, one of the most difficult channels to receive in Toronto is the CBC channel on 6 because it is located on quite a low mast, only about 220 feet high, right downtown on Jarvis street and is subject to a tremendous amount of bounce from the new high rise buildings in the downtown area.

The CHAIRMAN: The converse of my question is, does this service increase the viewing audience of those stations in Toronto, and the Canadian stations on the fringe of Toronto?

Mr. EASTON: I would venture to suggest, Mr. Chairman, that this service is doing nothing whatsoever in the way of increasing the viewing audience to any of these stations. It is simply improving the quality of reception from most if not all of them.

The CHAIRMAN: This is an assumption based on your knowledge and experience. Do you have any statistics to bear out your answers on these questions?

Mr. EASTON: No, we do not have statistics to bear out that particular point. This is based on local knowledge and experience.

Mr. SWITZER: Mr. Chairman, we have statistics taken from tabulated results on a national basis and we estimate that there is an increase in U.S. reception, taking the country as a whole, of something like 12 per cent exclusively attributable to the presence of CATV.

The CHAIRMAN: Without the assistance of microwaves?

Mr. SWITZER: These are the existing systems.

Mr. PELLETIER: I would like your guidance, Mr. Chairman. As you know, I could not be here this morning and I would appreciate being told if I repeat some of the questions that already have been put to the witnesses. I have a short series of questions.

In your system I gather that you sell service to a certain number of people, the larger, the better for you. Do you have any statistics on or any knowledge of the situation of those who subscribe to your service? As a general rule, do they have another set in their homes, or is the set that you rent to them the only way of getting a television program into the homes?

Mr. ALLARD: I think, Mr. Chairman, they cater to the average householder. Some of our subscribers have two sets; some have only one receiver, and some may even have three or four units in their homes. We do not cater to a special audience.

Mr. PELLETIER: What would be the proportion?

Mr. ALLARD: Only a small fraction would have more than one set.

Mr. EASTON: Mr. Metcalf might have the answer to that.

Mr. METCALF: Mr. Chairman, perhaps I misheard the question. Did I understand you to ask, sir, if the set we rent to them was the only way of getting a program into their homes? We do not rent sets. All we do is attach an input to their own set or sets if they have more than one. The number of homes with more than one set amounts to an average of 25 per cent.

Mr. PELLETIER: Do you make the selection of the stations that a set receiving your service can receive?

Mr. ALLARD: No; it is made by the subscriber.

Mr. PELLETIER: Yes, but once a certain selection is fixed on the set by you—I do not know what phrase to use here—can the subscriber go beyond it?

Mr. METCALF: I might have the answer to that. When a set is tied to CATV it is tuned in exactly the same manner as you would tune it otherwise. In other words, if there are six signals coming through your roof-top antenna your set is tuned in on all of them, and the tuner indicates the one you are going to see. The same thing happens on CATV. Even though, perhaps, six signals are coming into CATV you differentiate which one you want to view at any time by just turning the tuner on the set.

Mr. JAMIESON: Is there a certain amount of change required in the numbers sometimes in order to bring in 6 on 4 or that kind of thing?

Mr. METCALF: For technical reasons, Mr. Chairman, this is correct. However, with the state of the art advancing as it is today, we are getting away from this in most instances because we are now capable of producing the whole of the normal VHF band. We try in fact to put the stations on the channel that they normally occupy in the air.

Mr. PELLETIER: So you have no way whatsoever of blacking out one signal on the set connected to your antenna?

Mr. METCALF: Mr. Chairman, this is against the regulations under which we operate. We cannot interfere with any of the received signals. We receive them and send them through to the set in the same way.

Mr. PELLETIER: In a small town where a man with an ordinary set and an ordinary antenna can receive a certain number of signals, the only difference that would come about after he subscribed to your service, would be that he would receive more signals, but in no circumstance could your service restrict the number of signals.

Mr. ALLARD: That is quite correct, Mr. Chairman. At the same time, in many instances, once the individual householder connects to our cable system he is then in a position to tear down his antenna—he does not need his antenna on his roof any longer—because he would now receive the same programs that he was receiving through his roof-top antenna through a connection to the cable. We are not taking any programs away from him. We are either giving him the same quantity of programs to view or more.

Mr. PELLETIER: In isolated towns, could you become the only possibility of receiving a signal?

Mr. ALLARD: There are a few communities in Canada where, if it had not been for CATV, the individuals would not have been able to enjoy television.

Mr. PELLETIER: In those towns, which are very few you say, would you have what we could call a captive audience?

Mr. ALLARD: Yes.

Mr. PELLETIER: They would not enjoy television without your services?

Mr. ALLARD: Yes.

Mr. PELLETIER: In this set of circumstances, would you agree then that some control is required over captive audience because it could become the victim—you know what I mean—of your choices?

Mr. ALLARD: If this were so I would be inclined to agree with you. However, I can think offhand of only one area where this is the circumstance today and this is going to change very soon. I am thinking of Wawa, Ontario. A CATV system started operating there in 1958 and has been operating since then. We understand that the CBC has now applied for a satellite to cover the town of Wawa. The application has been approved by the BBG and the CBC rebroadcasting station is soon to be set up in Wawa. What is going to happen to the cable system? It will probably go out of business. If it had not been for the CATV system, since 1958 to the present time the residents of Wawa would not have been able to enjoy television.

Mr. SHIEL: I think perhaps Mr. Pelletier may have been misinformed unintentionally, I am sure, when Mr. Metcalf said that we do not rent sets. It seems to me that Rediffusion in Montreal was for a time renting sets and that these sets could only receive that which was on the Rediffusion cable. Is this still the case?

Mr. ALLARD: No. Rediffusion were renting sets at one time and only providing two channels, 2 and 6, which were local channels. The sets could operate only in a certain way. But when channels 10 and 12, came into being in Montreal, Rediffusion was forced, because of the demand to convert these units so that they could receive not only local channels 2 and 6, but also all channels by converting them to rabbit ear reception. That situation does not exist any longer and in effect, this new company has given up the idea of renting television sets.

Mr. JAMIESON: There are none at all out now?

Mr. ALLARD: No.

Mr. SHIEL: Mr. Pelletier, I want to bring out a point. You said that we, therefore, have the sole influence on that captive audience. I would like to stress, however, that the broadcasters whose signals we receive have the influence on that audience.

Mr. PELLETIER: The influence that goes with a choice of what you give to the people.

The CHAIRMAN: That may be an unfair conclusion, too, because I think the point was made that they take whatever is in the air and the people receive not what they choose, but what is given.

Mr. SWITZER: But these are very special situations.

The CHAIRMAN: I think perhaps we should get this clear. Is there any opportunity for you to choose what people will receive from your service?

Mr. SHIEL: I think it is fair to say that we have the opportunity to choose.

The CHAIRMAN: By reason of the way our antenna is directed?

Mr. SHIEL: Yes, but from a business point of view there is nothing to be gained. Our whole object in life is to give mximum coverage of whatever is available.

Mr. PRITTIE: Does your licence specify what you are going to receive?

Mr. ALLARD: No. There is a stringent condition attached to the DOT licence, and it is that regardless of the programs that we provide to our subscribers, we must provide them with the available Canadian programs.

Mr. JAMIESON: All available programs or just one?

Mr. ALLARD: All that are available in the air.

Mr. JAMIESON: If there is more than one must you put on more than one? My understanding is that you had to have a minimum of one.

Mr. ALLARD: Mr. Switzer has the regulation.

Mr. SWITZER: I quote from Item 6 of Appendix K to our brief:

> The operator of a Community Antenna Television System will be required to receive and distribute programs received from a Canadian Private Commercial Broadcasting Station (television) unless it can be demonstrated that a Canadian station cannot be received.

Mr. JAMIESON: That is one station.

Mr. SHIEL: However, if I may interject, there is another regulation—we are not clear whether these are regulations or documents but, nevertheless, we operate on them—which says:

> A list of television stations, from which programs are to be received and distributed, should be included with the application showing any channel conversions. If there are no programs being carried from Canadian stations, then the application must state why such programs cannot be carried. A licensee will be required to carry Canadian programs where the reception of such programs is technically possible.

It is not specific, but we make the assumption that this clause requires us to carry all.

Mr. JAMIESON: You would not object if that were made more specific in the law, would you?

Mr. SHIEL: No, we would not.

Mr. COWAN: Mr. Chairman, talking about captive audiences, if there is some place where there is only one receiving set and it is CATV and the people in the valley could only get television, can they be called a captive audience so long as they can still buy magazines, newspapers, periodicals, pamphlets and can listen to the radio? They are not subject to one set of opinions just because there is only one TV channel open to them.

Mr. SWITZER: Are you asking me or telling me?

Mr. COWAN: I was directing my question to Mr. Shiel. Would you call it a captive audience if they can read all the magazines, newspapers and books they want to buy, and listen to all the radio programs they want to listen to? Just because you are the only people bringing in TV does not make them a captive audience, does it? It may be a captive audience for TV but not a captive audience to ideas and opinions.

Mr. SHIEL: I would have to agree with that position.

The CHAIRMAN: Mr. Pelletier's suggestion was that there might be a situation where the CATV company could choose among channels and make only certain ones available. Apparently this is possible, but, in practice, has not happened, and they have indicated that they would be quite content to have this spelled out more clearly in the law if necessary, and quite willing to accept all Canadian channels which are in the air in the particular location where they are receiving.

Mr. EASTON: If I might add one point, Mr. Chairman, it is in the CATV operator's interest, in any such situation as that, to provide as many channels as possible, and his concern usually is that he cannot get enough channels to offer to his subscribers, rather than trying to restrict those that are available. He will receive any channel that he can possibly get by any reasonable technical means, provided his licence is approved for this, and offer them to his subscribers.

Mr. PRITTIE: I am going to ask a question which I know Mr. Sherman, who here this morning, wanted to ask. He showed me a copy of one of the Winnipeg newspapers just two or three days ago and it said that CATV was bound to be in operation in Winnipeg very shortly, and the news item mentioned that the aerial

receiver would be somewhere south of the city. We did have a little discussion this morning about whether that one in Winnipeg would be at the border and would have to be brought up to Winnipeg by microwave or cable, or whether it will be close enough to Winnipeg for the normal cable distribution in the city.

Mr. METCALF: It would have to be within a reasonable distance, as we pointed out before, because of the regulations.

Mr. EASTON: Mr. Chairman, I can tell you of my own knowledge that in that case—it has been licensed as a regular CATV system. The licence has been issued by the Department of Transport authorizing an antenna system which is within 10 miles of the post office of the area served, and it is not located at the border. There will be no use for microwave or, for that matter, long-haul cable.

Mr. PRITTIE: Thank you; there was a misunderstanding about that. I have just one other question. If any UHF stations come into operation in Canada in the next couple of years—I believe they are going to allow applications in Montreal and Toronto—how will this affect your operation?

Mr. ALLARD: We submitted a brief to the Board of Broadcast Governors recently on the question of allocation of UHF channels. I believe Mr. Easton can best provide the answer to this question.

Mr. PRITTIE: Mr. Chairman, I do know the answers to some of these because I discussed them with the Vancouver people, but I am getting them on the record.

Mr. EASTON: Mr. Chairman, we presented a brief to the Board of Broadcast Governors at their UHF hearing on October 25—and I am sure, Mr. Chairman, we would be very pleased to provide copies—in which we explained that in the event the BBG see fit to licence UHF broadcasting stations in Canada, CATV services will be available immediately to give these services to their subscribers on their existing sets. In fact, we spelled it out exactly in these terms. One of the problems facing the Board of Broadcast Governors—as, indeed, was the problem which faced the FCC in the United States two or three years ago—was that the large majority of television sets are not at present equipped to receive UHF. They can only receive VHF. The FCC in the United States saw fit to bring in a law making it necessary for interstate commerce that these sets should be equipped for UHF. The BBG may see fit to introduce such a regulation here; we do not know.

Mr. PRITTIE: I have introduced a bill but I do not think they will get around to passing it for a while.

Mr. EASTON: At present there are, as the Committee was informed this morning, some 360,000 subscribers connected to CATV services. If you increase that by the 25 per cent additional sets which were indicated to an earlier questioner, there are over 400,000 television receivers in Canada connected to CATV services at present, and for all intents and purposes these sets are already all-channel sets. As soon as a UHF broadcast station is licensed in any one area, then the CATV operator in that area—subject, of course, to the necessary approval of the Department of Transport for amendment to his licence—would receive that station, convert it from a UHF to a VHF channel not then in use on the cable, and all the subscribers have to do is to tune their sets to that channel

and they will receive it just as if it were a VHF transmission. So we are in a position right now, as soon as these stations are licensed, to provide a ready audience for UHF at no expenditure whatsoever to the subscribers.

Mr. COWAN: I have a question to ask Mr. Allard. The other day we had before us as witnesses representatives of the Canadian Association of Broadcasters and, of course, reference was made to CATV because it is included in the Fowler report and the White Paper. Great stress was laid by these gentlemen on the fact that it would be a terrible thing if CATV were owned by Americans. They said that we have to guard against the great danger of CATV receiving stations being owned by Americans. A thought just struck me, and I want to ask you whether I am wrong on it. I live at 55 Humberview Road in Toronto. Ken Easton would not bring the community antenna television line across the river to me, although I asked for it for years, so I never had the benefit of CATV. But living immediately behind me are Americans from Wisconsin, who have been living there for twenty-one or twenty-two years. He has a receiving antenna on his house as I have on mine. What difference is there in the program that they receive in his home? You see, theirs is an American-owned receiving antenna, and I have a Canadian-owned receiving antenna. We are back to back there at the corner of Halford and Humberview. Is he subject to some influence because he has an American-owned receiving antenna which I am not subjected to because I am a true-blue Canadian living at 55 Humberview Road and own my own receiving set?

Mr. ALLARD: I doubt it, Mr. Chairman, but I believe he should be. After 21 years of living in Canada, if he is not a Canadian he should be.

Mr. COWAN: He became a Canadian a year ago because the company for which he worked told him there was not much likelihood of his being transferred back to the head office. I do not blame him in the slightest for delaying his citizenship. He never knew when he might be transferred back to the United States, and this applies to a large number of Americans. They have to use their own personal judgment. But is he subject to any particular influence because he had this American-owned receiving antenna for 20 years?

Mr. ALLARD: None whatsoever, to my knowledge.

Mr. COWAN: That is all I wanted to know.

Mr. JAMIESON: What is the legal position now with regard to foreign ownership of CATV?

Mr. ALLARD: We are limited to 25 p. 100.

Mr. JAMIESON: The same as broadcasting.

Mr. ALLARD: Yes, the same as broadcasting.

Mr. COWAN: What about this fellow? He is a 100 per cent owner of his antenna.

Mr. SHIEL: I would like to give my opinion of the origin of the fear that caused people to feel that CATV systems should be restricted from foreign ownership. I think it was the fear of program origination, because program reception on a CATV antenna, as you have amply illustrated, is of no consequence.

Mr. COWAN: It was not because of the influence it might have on the size of their audience as Canadian broadcasters?

Mr. SHIEL: It is my opinion that it was mainly a confusion of the origination of programs as opposed to the reception of programs.

Mr. JAMIESON: Jack Kent Cooke paraphrased Lord Thompson by saying, in effect, that CATV were a licence to print money. I think that is another reason for the Americans being interested.

Mr. SWITZER: Mr. Chairman, when Mr. Cooke decided to print his money in the CATV business he moved to Beverly Hills to do it.

Mr. JAMIESON: Mr. Chairman, I have one other question for these gentlemen. You mentioned your inability to cut out programming from a service and the law in that regard. I have heard the complaint—specifically, as I remember it, in the Hamilton area—of occasions when, in order to get new installations and so on, sporting attractions have been offered as a sort of first feature to a new subscriber, but that during the provision of these closed circuit events an operator, or more than one, has taken out of the cable the regular programming of one of the channels. In this particular case, as I recall it, it was a Canadian station.

Mr. ALLARD: As the regulations are drafted at present, we are prevented from tampering with the station that we are authorized to receive, with one exception. If we want to tamper with that station we must first obtain approval from the station in question.

Mr. JAMIESON: Somebody did not do so in this case because the gentleman in question, a very close friend of all of us, the late Ken Soble, in fact, told me of this incident a year or so ago and he was quite upset about it at that time. It was a championship fight, as I recall it.

Mr. ALLARD: Yes. Rediffusion did it in Montreal. They put the local Alouette football games on the cable, substituting a CBS, program from Plattsburg, but with prior authority obtained from the CBS, before cutting into their programs to interject the local football games. It was a condition of the licence that they must obtain prior approval from the originating station. . .

Mr. JAMIESON: This is an American station.

Mr. ALLARD: Even if it is an American station; the stations which are licensed to receive must obtain approval. This is as I know it. I stand to be corrected here, gentlemen, but this is the way the regulations read.

Mr. JAMIESON: I cannot imagine why in Canada you would have to ask CBS if you could cut them off your cable.

Mr. ALLARD: Because the Department of Transport asks us to do so.

Mr. JAMIESON: It was totally illogical, I think.

Mr. COWAN: My God, you are not questioning the department.

Mr. PRITTIE: This comes under the protection to the consumer.

Mr. JAMIESON: Yes, but it should be surely the Department of Transport whose permission ought to be sought, not CBS.

Mr. COWAN: Mr. Chairman, the gentlemen from Lethbridge, made some reference to Jack Kent Cooke and said that after Cooke had passed some remarks he moved to Los Angeles, indicating I think that made him an American and not a Canadian. Is it not true that when the Los Angeles Kings, owned by Mr. Jack Kent Cooke play the St. Louis Blues in the new NHL that will be considered Canadian content by the CBC?

Mr. SWITZER: Mr. Chairman it very likely will be, along with the professional sports exhibition which we call the Grey Cup game.

Mr. COWAN: Well, that is played by 15 Americans on each team on Canadian ground.

Mr. SWITZER: On Canadian grass, probably Kentucky blue grass.

Mr. COWAN: By any chance, did you see Helicopter of Canada last night? It is an hour long picture and was developed by the Centennial Commission. They point out that Canadian football is such a wonderful game that Canadians allow 15 Americans to play on any team. This is stated in the government's own film.

The CHAIRMAN: If there are no further questions for these gentlemen, perhaps they might have some further comment to make themselves before we excuse them.

Mr. ALLARD: Thank you for the opportunity, Mr. Chairman. I would like to make a closing statement, if I may, with your permission.

The CHAIRMAN: You take the risk of inviting a new round of questions, but please do if you wish.

Mr. ALLARD: It is merely to summarize our position. We hope that we have been able to indicate to you, Mr. Chairman and members, that in fact, if the public interest is to be safeguarded, we do believe, and we hope again that we have been able to demonstrate this, that it would be in the best interests to the Canadian public if CATV systems in Canada were left under the jurisdiction of the Department of Transport, and not placed under the Board of Broadcast Governors.

However, if in your deliberation, you decide that we should be placed under the jurisdiction of the Board of Broadcast Governors, then we believe that a statute should be so drafted so as to ensure that the Board of Broadcast Governors are not given authority to control the right of the citizens in Canada to receive television programs of their choice. May I repeat in case I have not made myself quite clear; if in your deliberation and your wisdom, you decide to recommend that we should be placed under the jurisdiction of the Board of Broadcast Governors, we hope that you ensure that it is written in the statute that the right of the Canadian citizen to receive television programs of his choice should be protected in every way possible. Thank you sir.

The CHAIRMAN: Thank you Mr. Allard. Gentlemen, if you wish to remain while Mr. Davis of Community Antenna Television Limited of Calgary joins us, it might be helpful to us and to yourselves. Maybe some members might wish to ask questions.

Mr. DAVIS: Thank you, Mr. Chairman, and members of the Committee. I would like to make a couple of observations. The first one obviously is to thank

the Chairman and the steering committee for allowing me to intervene in this respect. I feel that what I have to say might well be of interest to you in your decision on the White Paper; if it is not of interest to you, it is certainly of interest to myself.

The second observation I would like to make, with due deference to the very learned gentlemen of the National Antenna Television Association who preceded me, is that I may disagree in part with their submission, but what I shall say is not meant to be part of their submission, nor, in fact, is it an opinion of the association. I would like to remove in advance any suggestion of that connotation. Certainly I am not implicating their position whasoever. I have sympathy for their intent.

The third point I would like to make is possibly in the way of an apology. I have been informed that the brief I presented was not necessarily in true parliamentary form. The word "blunt" was used by some, and I must suggest that it was not by intent but probably through ignorance and the short time I had since last Tuesday to translate the document into French, which for us, in western Canada, is somewhat difficult. After having made the apology in advance I would like to present a statement—in this particular case—regarding the government's refusal to grant us a cable television licence.

The CHAIRMAN: Mr. Davis, I do not think that is relevant to these hearings. We are concerned with the issues raised in the White Paper and we cannot concern ourselves with any particular application. I would appreciate it if any remarks you wish to direct to us would be based on the issue raised in the White Paper namely the bringing of community antenna systems under the Board of Broadcast Governors.

Mr. DAVIS: Mr. Chairman, I did not know this in advance and when I presented my brief to you the intent was that the brief was permissive as far as you were concerned. Therefore, I suggest to you that I would be pleased to answer any questions on the situation as we see it in western Canada in relation to the White Paper.

Mr. PRITTIE: Mr. Chairman, in that case, Mr. Davis is really asking us to make a recommendation that the rules under which CATV operates at the present time be changed so that areas farther away from the border not now served, and which have to be served by microwave or land line, can be served by CATV. Is that the essence of it Mr. Davis? Do you think that the present rules which are restricting it to border areas should be changed? Is this really what you are asking?

Mr. DAVIS: This is correct. We have difficulty in interpreting the rules I suppose this is the same problem that the prior representatives had, in that the rules are informal. We have attempted through varying ways of obtaining a formal interpretaion of a physical phenomenon of living farther north of the border than the Fowler Commission said 54 per cent of Canadians then lived. It is with that in mind that we ask, in line with the question which was brought forward this morning, for an appeal to this body because quite frankly we can find no other body to whom we may appeal. I always understood the rules of parliament to allow an individual—not a corporation—to appeal to some or-

ganization to obtain, I would expect, redress of an informal situation. This is the purpose, of course, of my being here.

Mr. PRITTIE: Well, you really have answered "Yes" to my question. You mention Calgary and Edmonton specifically on page 7. It says on page 7 that Canada's fifth and sixth largest cities do not enjoy the kind of television service that the other major centres enjoy because of their geographical location. They do not get the same service as Montreal, Toronto, Vancouver and Winnipeg will now get. This is like saying that if one group of Canadians can enjoy a particular service, then any group of Canadians should be entitled to that service. I do not know just how far you can carry that reasoning because this brings up, I think, a very important problem. You can make a case that CATV as presently operating should not come under the Broadcasting Act, but, if you are going to serve places such as Calgary and Edmonton and I suppose later on Saskatoon, Prince George, British Columbia, or wherever you like, well inland by means of microwave systems from the border, then it seems to me it would have to come under the Broadcasting Act because you are introducing a new element of broadcasting into areas.

It also occurs to me that if you want to install a system to make CBS and NBC, for example, available to the people of Calgary, why do we not just say to CBS and NBC: "Why do you not give permission to build the stations there so they can do the job perhaps more efficiently." It seems to me this is the kind of question we are then faced with.

Mr. DAVIS: I think your comment is well taken. If we are to decide to locate American networks on Canadian soil, and this becomes a decision of parliament I can assure you, from my point of view, and possibly some 300,000 Calgarians and some 300,000 Edmontonians, that we would probably accept this situation. However, I do suggest that as long as you decide not to pursue that course, they should have the same privileges at the same time as are extended by happenstance, by the location, shall we say, of the railways in 1881—the bill is in the house at the moment—which induced those other cities in Canada to locate close to the border.

It was not the fault of Confederation, for example, that the railways swung up through the northern passes in western Canada. It has now become a militating circumstance against the western Canadian being able to receive the same programming, and so on, as the rest of Canada. I find, in the White Paper, no reference to this point and I feel, therefore, that it is a point the White Paper should address itself to.

Mr. PRITTIE: My point is that if the legislation were changed so that your type of service could go into operation, then, of course, it would have to apply all across the country and it would, in effect, provide the U.S. networks with outlets in Canadian cities where they cannot be naturally received on the border. It would be just as logical to take the other step and say they could locate in Canada. I would not agree with it but this would be the logical step.

Mr. DAVIS: I do not suppose I would disagree with the logistics of what you say.

Mr. PRITTIE: Mr. Chairman, I really do not have any other questions, but I would like to make a comment. I cannot see the kind of operation that Mr. Davis has in mind coming into existence without the BBG being involved and without—in all respect—public hearings. For example, if I were the owner of a television station in Saskatoon, and a proposal like this came forward, I would certainly want a public hearing to be held. I know that Mr. Davis has said in his brief that it would not have an adverse effect upon the advertising market of the established Canadian stations and this may well be true; but it is introducing a new broacasting element into Calgary or Edmonton or Saskatoon—as the case may be—that did not exist. If I were a broadcaster I would certainly want the BBG to be concerned and to hold a hearing on the subject. I think these are all the comments I have to make.

Mr. DAVIS: If I might suggest, in that regard, the role that I see for the BBG is more or less as you have set it out with one possible exception. In my mind the BBG should be a place to appeal to, whether it be the private broadcaster with what he has been provided in the way of a monopoly position or whether it is myself trying to intrude in that monopoly position. I see the BBG, following the White Paper, instead of being set up as an advance agency to pre-judge these things, as an agency to which one could appeal. To me there is a significant difference in the role of the BBG to first set up legislation and then to act upon it. The right of the Canadian to appeal to parliament could be granted because—we will use the expression—of political position and there would be the right of appeal so that the matter could be judged on its merits.

I do not disagree with you that in the case of Saskatoon, or any other area, the broadcasting agency of the area should have the right of appeal. I think this is very real. The only question I ask in that respect is, why would you suddenly change your attitude now, when you have not since 1952—if I may recall the date of the first cable television system—taken that position? Why suddenly this change of interest and yet I do not disagree with you.

Mr. PRITTIE: I am going to ask the government this question.

Mr. JAMIESON: I would like to ask a couple of technical questions at the beginning, Mr. Davis, on the matter of use of microwaves. Do you visualize the system where you would need a separate microwave circuit or a separate dish, if you want to call it that, at each location, for each signal you propose to bring or is there a technical means whereby—and I may not be using the right terms, sir—you can multiplex or put several signals on the same set of microwaves?

Mr. DAVIS: The latter is correct. The microwave system, while using possibly a single means of projection, has, in fact, a multiple number of pieces of equipment which transmit signals through the air. You do not need, for example, with three stations, three separate microwave towers. The facilities which, in the particular case to which I referred, are now in existence allow us to bring microwaves, providing we have the frequencies for it, further north into Alberta. It does not require multiplicity of new installations or side by side installations.

Mr. JAMIESON: Your particular proposal—and I am abiding by the Chairman's rule that we are not talking about that, but in these terms, I think, it is germane—your particular proposal would be to lease existing microwaves. In other words, it would not be a matter of building your own.

Mr. DAVIS: No. As the equipment is available, to avoid excessive waste of capacity now available, we have elected to lease it, but quite frankly the other thought had occurred to us to attempt to lease a UHF system and build it ourselves, which, by the way, would have been cheaper, but we were refused.

Mr. JAMIESON: The next technical question I want to ask you is related to this one, I guess, and, again, I must use the individual example although for purposes of general knowledge: the number of miles of microwave involved, let us say, from the nearest or the pick-up point in western Canada to Edmonton, for example, is how many? What is the air mileage?

Mr. DAVIS: About 370 odd miles. If you were to take it from the border to the hub of the microwave system of, in this case, the Alberta Government Telephones, you could shorten that considerably by taking advantage of this so-called ten mile range from the post office, you could shorten it at both ends and there are a number of permutations, but point to point mileage, that is about correct.

Mr. JAMIESON: I have no wish to get into the actual figures in this operation but it seems to me, on a fast calculation, going by the normal tariffs with which I am familiar, that you are talking, perhaps, of $200,000 or $300,000 a year rental, are you not?

Mr. DAVIS: Yes; as a matter of fact, I wish it was that figure. It is closer to $600,000 a year.

Mr. JAMIESON: I should have said per individual program. In other words, if you are going to deliver two services, you are going to have, to some extent at least, a double price. We are talking about these kinds of figures.

Mr. DAVIS: That is right.

Mr. JAMIESON: This means, clearly, the microwave is only going to be economical in the sense of extending so-called CATV if it can be fed into a very large metropolitan area, and that you have a pretty good prospect of getting a very substantial number of subscribers. You are faced with an original sum of $500,000 or $600,000 annually in this particular case. In the case of Newfoundland, for instance, to refer back to what some of these gentlemen said about going to eastern Canada, with enough alternative services to make it attractive to the subscriber, you would probably be into $1 million a year.

Mr. DAVIS: There is, of course, a difference, Mr. Jamieson, in the use of microwaves on the traditional person who leases the equipment. If it were a private system the figure that I used, of course, would be relevant. It does not mean anything.

Mr. JAMIESON: If you did it yourself?

Mr. DAVIS: That is quite correct.

Mr. JAMIESON: Except that you would have a capital outlay, again, of $1 million or $1.5 million, or something in that order.

Mr. DAVIS: Yes, but using the normal amortization cost of 8 per cent, shall we say, you would not come anywhere near that figure for amortization and operation of a microwave system, including maintenance. The probem in mi-

crowave stems from the fact that telephone companies traditionally arrange their costs by the cost of landlines and they interpret this to the cost of microwaves. The old system of hauling this thing across by wire is the method they arrive at costing their microwave because apparently there is a rapid obsolescence in equipment.

Mr. JAMIESON: I am glad you called it a system. I thought they had a ouija board somewhere.

Mr. DAVIS: It is the only way you can rationalize their costs.

Mr. JAMIESON: Let me ask you another technical question. Have you considered or compared the differences in cost that might be involved if you microwave, on the one hand, in which you are clearly involved with the Department of Transport or cable—co-axial or something of this nature—which, I assume, is generally regarded as being within provincial jurisdiction. Is cable prohibitively expensive for this kind of operation?

Mr. DAVIS: No, sir, and the reason that I am here is for the purpose of trying to assist a parliamentary committee in understanding that there are alternative methods and there always will be alternatives to regulations. We could use a landline, the amortized cost of which, by the way, would be very little different. As a matter of fact, it would be slightly lower than the present cost of microwave but the microwave system does exist and it is something which would then have a further return.

Mr. JAMIESON: There is capacity on the existing circuits?

Mr. DAVIS: That is right and there is for an infinite period of time because the satellite system is rapidly outmoding long haul microwave, and this capacity is not only there but it will become somewhat obsolete and be taken over by the other.

There is the other area, of course, which is again not subject to licensing under the terms of the White Paper, if we are going to stay with the White Paper, Mr. Chairman, and that is to use the video tape system. Granted you are involved in delay but a delay in American programming is of what consequence? I traditionally follow as, I think, all Canadians would follow, an attitude of morality towards these alternatives.

Mr. JAMIESON: You must have had some advice on these matters, I am sure. You heard the gentleman this morning referring to the ability to stick either a video tape or film chain on the end of the cable, in which case you in what we might describe as a totally contained system and not using the airwaves at all. Have you a view on whether or not there are grounds for regulation here or would regulation be justified? Suppose you went to video tape, for instance?

Mr. DAVIS: My own reaction to the BBG, if such is to continue to exist and can exist with the rapidly changing technological advances that are taking place, is, yes, we should come under a regulatory body. I am not too sure that that is the right one in this particular case, Mr. Jamieson.

Mr. JAMIESON: We are now talking about programming as opposed to the purely technical aspect. I am very confused about this matter because I do not think there is any clear cut evidence in law at the moment as to just what the

position is. I have heard it said by quite reputable authorities that, in fact, CATV's people could thumb their noses at all existing authority, except under the obscenity or any of these laws, by simply doing what was done, for instance, in Etobicoke, but doing it on a sort of lease basis or a $5 a month fee basis or whatever.

Mr. DAVIS: I do not think there is any doubt that what you say is accurate. There are stations existing in Canada which effectively strip programs; they supplement what they wish to add; these are operating with the full recognition of the Department of Transport. I do not think there is any doubt that what you say is accurate.

Mr. JAMIESON: These are so-called CATV systems?

Mr. DAVIS: Yes, and they are licensed but the difference lies in that if you were to strip, as in the case of some of the larger stations, there is no doubt about it that the Department of Transport would probably breathe down your back and lift your licence.

Mr. JAMIESON: You have raised an interesting point here that has not been touched on before. The argument of CATV operators, generally, against originating programming is the cost of programming. They have said, in effect, that it is going to cost us too much to set up on the same basis as a conventional television station to produce programming and even to buy film programming, and the like. You have suggested that what happens is that at the border you merely pick it off the air, put it on video tape, transport it by some means to Calgary and/or Edmonton and then replay it.

Mr. DAVIS: Yes, sir.

Mr. JAMIESON: Is there any legal prohibition to this re-recording? I would think that there would be.

Mr. DAVIS: We have had a team of lawyers down in Ottawa who are familiar with the copyright regulations and who have done a great deal of work for the government in this regard. I will not name their names. We have also had two other groups of lawyers, one in the United States and one in Canada, and we have had a variance of opinion. There is a certain element of risk involved in the copyright regulations, but to us it appears the risk would be worth taking if you could not utilize microwave in this particular case. The probability is that you would get away with it. The copyright regulation between Canada and the United States is a very interesting one.

Mr. JAMIESON: You see that the prospects that you open up here are quite incredible, in fact. I, for one, cannot conceive of anybody saying that you could get away with it or that the risk would be justified; because, in the case of a conventional radio station, the only thing we are talking about is the difference in the method of transmission or broadcast or distribution, and all that anybody in the broadcasting business would have to do would be to rent a tape machine and put it somewhere in Toronto and simply not buy another foreign program. All they would have to do would be to just whip it off the air and transport it, for example, to St. John's, Newfoundland, and they are in clover. I cannot see how you would get away with it, if that is the proper term for it, with that kind of arrangement.

Mr. DAVIS: There is an element of risk.

Mr. JAMIESON: Pardon?

Mr. MACDONALD (*Prince*): You cannot broadcast it. You can feed it by direct line.

Mr. JAMIESON: Yes, I am not a lawyer and I do not understand the legal niceties. It seems to me that if the end result of what you do is exactly identical to a broadcast, you would have a pretty hard time proving that you were not infringing on somebody's ownership of the program in the original instance.

Mr. DAVIS: I think the same type of idea goes through anyone's mind until they have a group of lawyers look at the significant appearing difference.

Mr. JAMIESON: Well, it may very well be the case.

Mr. DAVIS: Then you do find what applies to one case does not apply to the other.

Mr. JAMIESON: I will tell you this, Mr. Davis, if you get this one going there is going to be quite a lot of furor going on in the broadcasting industry, not only here but in the United States.

I have one final question, sir, and it involves the matter of the linking of systems into a network. I think it is a technical fact that adequate microwave exists in most areas of this country, in virtually all of the populated areas, and that through the use of microwave you could simulate, very effectively, a coast to coast network. Once, for instance, you bring in the total CBS feed, let us say, to go back to Mr. Prittie's point, and once you have lifted all restraints, or if there were to be a lifting or all restraints on microwave, it would then be possible and probably more economic in the sense that you would be reaching more people to distribute that whole system by microwave and then feed it into CATV. Is this, at least, technically correct?

Mr. DAVIS: I agree with you that it is not only technically correct, but from what I would consider a responsibility of the BBG and of parliament, if you wish, to the individual person in Canada, that they should be allowed to make available to each other in groups or individually all that is available from one part of Canada to the other, and certainly a coast to coast microwave system would aid that.

Mr. JAMIESON: Have you thought about the possible ramifications of that with regard to—and I will not use the word "free", Mr. Prittie had a better one a moment ago,—to conventional broadcasting, regulated and controlled broadcasting? Your argument is really that because Toronto is across from Buffalo and Bellingham is adjacent to Vancouver—

Mr. COWAN: Buffalo is across from Toronto?

Mr. JAMIESON: All right. Because of these geographic situations and the accidents of geography, these areas—either directly off air or through CATV—have access to one, two or three American networks, then there is no justification in keeping these services from them; or to put it more positively, that St. John's, Newfoundland, Saint John, New Brunswick or Prince Edward Island has an absolute right to demand those same services.

Mr. DAVIS: I have always felt that I, as a Canadian citizen, had the same rights and privileges of anyone else in Canada and I have heard this point made many, many times in the houses of parliament.

Mr. JAMIESON: But I am questioning whether this is a right and privilege or whether it is an accident. In other words, paraphrasing you in a sense, are we to say that because by accident certain people enjoy certain things everyone else has a right to enjoy them.

The CHAIRMAN: That is perhaps like saying the people of Niagara Falls, Ontario, can go over to Niagara Falls, New York, every night then so should the people of Calgary be able to go over to Niagara Falls, New York, every night.

Mr. DAVIS: And they do have that right Mr. Chairman. I would suggest to you that I have lost no rights in the Canadian constitution if I am an illegitimate child. I do not believe that an accident of birth, in distance, or in the fact that I did not have a legitimate father makes any difference to my rights in Canada.

Mr. JAMIESON: You are beginning to sound like an episode out of "Sunday".

Mr. DAVIS: A program which I think is very much better—

Mr. PRITTIE: And on a higher plane than usual.

Mr. JAMIESON: I do think this is a very serious matter for this Committee to consider. The proposition that is being advanced is very interesting and is contrary, of course, to anything that has been maintained in Canadian broadcasting since the days of Sir John Aird. Basically I would think the legal position, or the position that has been taken, is that Canada and the Canadian government is not obliged in any way, shape or form to extend, if you like, the results of an accident of geography, vis-à-vis opposition with the United States.

Mr. FAIRWEATHER: May I interject here—

Mr. DAVIS: I am finished, Mr. Fairweather.

Mr. FAIRWEATHER: I think that any of us living on the extremities of this country may slip into this line of thought. You know we can get into the extremes of Inuvik or somewhere else. Obviously, the state or the government as represented by parliament tries to do everything possible to see that the facilities in remote places are operated with the best possible efficiency but you would not for one minute expect that there is a right in Inuvik, would you to have this service?

Mr. DAVIS: I think we look at this in the converse. I think that if I can pursue this by legitimate means I should be allowed to pursue my rights. I do not see that legislation or regulation should remove my rights. That is the gist of it. Rights are being negated because of a technicality of happenstance of where I live. This is what I say. I am not saying that I am asking you to deliver to me a loaf of bread or Niagara Falls on Sunday evening. I am saying to you that I should have the right to exercise what you have, all things being equal, within law and within the other bag of tricks that make up a Canadian heritage.

Mr. JAMIESON: Can the Canadian system of broadcasting survive in these circumstances? I am not going to talk about Edmonton or Calgary or any of these places, but if we had this complete and total link-up, what would amount

to adding suddenly two full network services across the country, what happens then to what we have?

The CHAIRMAN: It sounds like continentalism à la mode.

Mr. DAVIS: You cannot be telling me that the survival of the Canadian broadcasting system is dependent upon the isolation of western Canada, because you cannot reverse facts as they are but, discounting that particular problem, if I could ever discount it as a westerner, I say the answer to your question is, yes. The answer to this has already been given in parliament when they put $143 million, if I read the arithmetic correctly, into the Canadian Broadcasting Corporation. I say that what a Canadian should watch should not be imposed upon him by parliament but should be aided by parliament, possibly with the public purse, so that he has the right of determination to watch, to read, to see what he wishes, not to remove the rights by the edicts of parliament. There to me is the basic difference.

Mr. PRITTIE: We imposed some pretty expensive railway systems upon the Canadian people when we could have avoided doing so by branch lines at an earlier stage.

Mr. DAVIS: Well, the analogy of the railway is a very good one. The imposition of the railway in part was to quell the Riel rebellion and if you wish to use that, there the Canadian government did bring its force into play to eliminate what they felt was a particular problem of western Canada.

Mr. PRITTIE: No, Mr. Davis. Going back to the history of it, it seems that most places in Canada could have been served in the west by branch lines of the Great Northern which was already in existence but we chose not to do that. We chose for reasons of nationalism to go to the great expense of building a transcontinental railway and then we added two more after that. It is all pretty expensive but this was the national policy that was decided.

Mr. COWAN: Mr. Prittie comes from British Columbia. B.C., that is why we built the railroads, is it not?

Mr. PRITTIE: And it is also for the same reasons that we decided to have a Canadian broadcasting system. Some of it is public and some of it is private. I think we are suggesting to you that this would be seriously threatened by the type of thing you are suggesting, and by the logical extension of it which I have suggested is to allow the American networks to come up here and give the service more directly than you can do it.

Mr. DAVIS: Well, I have done a considerable amount of reading over the two years that I have been trying to get this licence through the Department of Transport and there are a number of books on this subject. I have yet to find one that would agree with your hypothesis that an outside force would destroy the network as such, or would destroy the Canadian image into the network. I suggest that if it is going to be destroyed it will destroy itself by not being looked after. You cannot force me to turn on my television set. The Board of Broadcast Governors in the White Paper cannot force me to turn on my television set.

Mr. JAMIESON: Because it is so very important and because I certainly want to be clear on what it is that you are proposing may I say we have a law in this

country that says that ownership of broadcasting facilities by non-Canadian interests cannot exceed 25 per cent. Do you think that that is a sound proposition?

Mr. DAVIS: You are asking me to wear two hats at one time, and I do not mind hedging an answer, in a sense. If you have a national attitude to ownership which, frankly, I do not subscribe to, then the answer is, yes. If you feel, on the other hand, that North America is an entity, the improvement of which will add to all our well-being, and indirectly to the well-being of our children in all senses, in education, and what they can read and what they can write, and what they can see, then I say the answer is, no.

Mr. JAMIESON: I do not know which one you believe, the "yes" part or the "no" part, but in any event it is a fact that we have a 25 per cent ownership. I say that in the present mood we are not likely to change that very much, so that, therefore, the Columbia Broadcasting System, for example, would not be legally entitled to put a television station in Calgary or into Edmonton because it would be 100 per cent owned by the American interests.

Mr. DAVIS: Unless under the present rules and regulations they sold time, as they could do, to a Canadian operator who might be able to obtain a licence from the Department of Transport. At this moment, they are declining to do this. I have discussed the matter with them in New York. They are declining because they are in a copyright case, but they could do this.

Mr. JAMIESON: But you are not even just thinking about a CATV system or even a subscriber system in the manner that was outlined by these gentlemen this morning. You have gone to the point where you see the possibility of deleting, for instance, American material from this and inserting Canadian material so that you would be in direct competition with Canadian stations. Is that right?

Mr. DAVIS: No, I do not believe I said that or implied that.

Mr. JAMIESON: Well, what were you talking to them about in New York —about the ability to sell in Canada.

Mr. DAVIS: Obviously, one looks at this copyright law from all sides. The vagaries of the copyright law are subject to court change or change of parliament, so naturally looking at the alternatives—if microwaves could not be considered, either by the BBG or by the Department of Transport—I went to these people and said, fine, if I take a risk and use some other method of hauling these signals into Calgary, horseback, for example, and we got into a copyright area, I will pay your broadcast fees, I will pay the same fee as any other broadcaster to you at the rate schedule that is set out for the population at the rate of penetration. I said I will pay you these fees; would you then license me?

Mr. JAMIESON: Then you would become what is an affiliate of CBS or NBC.

Mr. DAVIS: Exactly. As all the Canadian broadcasters are.

Mr. JAMIESON: But that is the second point. It is illegal. You cannot have an affiliation with an American network.

Mr. FAIRWEATHER: You would be denying Canada.

Mr. DAVIS: You could be but I do not feel that the Canadian in western Canada has any more problem in looking at the American eagle or has any more weaknesses than the Canadian in eastern Canada.

Mr. JAMIESON: No, but I am not arguing philosophically or even nationally. I am merely stating certain facts, one of them being that there is a 25 per cent limitation on ownership. If you were therefore, to deliver the total CBS service —I am using them as an example—into Calgary, the end result of it would be a breach, whether it is legal or not is another matter, of the intent of that ruling which is to ensure that a broadcasting service in Canada is 75 per cent minimum controlled by Canadians. This would not be that way.

Mr. DAVIS: I looked up the intent of the ruling of the 25-75 ratio and I did not see any place where it had to do with what was in the broadcast itself. It had to do with who owned it.

Mr. JAMIESON: The end result of what is being proposed, and what I suspect other people would think about for other areas, would be, in fact, to establish an American station, a totally American station in a Canadian city, and this would be a contravention of the intent of legislation which is that ownership shall be limited to 25 per cent.

Mr. DAVIS: I see your interpretation but let us face the fact that with the second communication satellite up now, granted filling in between here and the Far East, by the time the series is completed by the year end, 22,000 miles above North America, the game is over anyway, except in the minds of some Canadians who feel that they must preserve things by, as someone referred to it, the Copper Curtain. The game has been played.

Mr. JAMIESON: This is precisely what I said and I am not altogether sure that I do not agree with you. The point is that for these purposes, if that is so, you are saying in effect that the Canadian Broadcasting structure is doomed, in any case.

Mr. DAVIS: I have always disagreed with trying to protect we Canadians by parliamentary regulations which state that if I am a Canadian or an American, then I have special rights and privileges. I feel that this is no way for Canada to get ahead.

Mr. PRITTIE: What about the Crowsnest?

Mr. DAVIS: The Crowsnest Pass which for so many years, and in this case has been used as an analogy casts a benefit, if I need remind you, on the balance of payments for all of Canada, so I think the remark, and the way it was included in the bill at the present moment is accurate. It should continue to exist as long as it is of use to Canada.

Mr. COWAN: Particularly the west?

The CHAIRMAN: Mr. MacDonald. Oh, I am sorry, are you through, Mr. Jamieson?

Mr. JAMIESON: Yes.

Mr. COWAN: I have a supplementary question, but I do not want to begin questioning, Mr. Chairman.

Witness, did you say that you had heard it said in the houses of parliament on many occasions that the point had been made that all Canadians are equal? This was an interchange with Mr. Jamieson.

Mr. DAVIS: I read the Bill of Rights, if you wish to call it that. I learned when I went to school and I read the little thing I swore to in 1940, when I went overseas as an RCAF pilot, and all of these indicated to me in plain black and white that I had an equal right to die; I had an equal right to live, and all of these things indicate to me that Canadians have equal rights.

Mr. COWAN: You did not know that the Department of Immigration can cancel the naturalization citizenship of an immigrant, although they cannot cancel the citizenship of a natural born Canadian.

Mr. DAVIS: Yes, I am aware of that.

Mr. COWAN: When you said a little while ago that all Canadians are equal I wondered if you knew about this inequality.

Mr. DAVIS: Yes.

Mr. COWAN: We have had four consecutive Speeches from the Throne in which we have been promised that this would be changed at the next session.

Mr. DAVIS: Yes.

Mr. COWAN: I should live so long, but I shall try to see that there is a little action. I am a natural born Canadian myself, so I am not worried about the department cancelling my citizenship.

Mr. FAIRWEATHER: Where do you live?

Mr. COWAN: At 55 Humberview Road in Toronto, next to an American-owned antenna.

The CHAIRMAN: You are worried about your backdoor neighbour.

Mr. COWAN: Not in the slightest.

Mr. MACDONALD (*Prince*): Mr. Chairman, I am doing something now which I do not like anyone else to do and that is to come in late and ask questions. I will confine my questions to just one but I would like to make two comments just prior to that. First, I read your brief very hastily this morning, Mr. Davis. I think a good deal of the philosophy behind what you have been saying here this afternoon is summed up in the very last line of your brief which I know we did not really deal with this afternoon, where you say:

> to end a problem of similar nature—isolation north/south.

If I might say so, sir, this is not the problem that faces Canada today. In fact, the problem might very well be defined as being the very reverse of that. I do not think we suffer from isolation from the United States. Indeed, our whole life is so intertwined and influenced by the United States that this is in fact the question we face almost day by day in terms of a continuing identity or integrity or individuality, if you like, of Canada. I think you have raised this afternoon, something which is of ultimate significance to this committee, namely, the fact that we are on the very threshold of a situation where the old rules of the game are likely to become pretty meaningless. I refer to a kind of universal accessibili-

ty to communication, to broadcasts, not only from south of the border but from anywhere in the world. The idea that we can be tuned in on radio Moscow, which may be broadcasting overt propaganda is something that we are going to have to face.

Mr. PRITTIE: You mean television Moscow. We can get radio Moscow now.

Mr. MACDONALD (*Prince*): Well, I am saying, to put another interpretation on it, television Moscow.

An hon. MEMBER: Does the N.D.P. listen to it much?

Mr. PRITTIE: No, it does not.

Mr. MACDONALD (*Prince*): There is one question I did want to ask; if it has been dealt with then just tell me and it will not be necessary to answer it. I will put it on record. Did you say during the course of your testimony this afternoon whether or not you would accept the BBG as the ruling authority in the kind of application you are proposing at present, or whether you would look for another regulatory body, inasmuch as you seem to be in a different situation from the applicants who were before us this morning? Do you think that, in terms of the kind of things you have been saying this afternoon, that the BBG would, under the constitution as outlined in the White Paper, be the authority with the proper regulatory powers in this instance and in terms of granting licences, and what have you?

Mr. DAVIS: As I read the White Paper—you will probably notice my copy is well-thumbed; it is almost black on the outside from trying to live within it and finding that somehow it still does not make any difference—it is going to be an authority unto itself. I disagree with this, quite frankly. My attitude to the BBG would be the same as it is to a number of other boards in Ottawa, or any place at the municipal level, because I am an alderman. We have appeal boards, boards to which we appeal, shall we use the phrase, bureaucratic decisions, political decisions, boards which will reaffirm a right. I think the BBG with its talent and its background and its full knowledge of the needs of Canadians in their minds, should, in fact, exercise this as an area of appeal. I have no appeal at the present time that I am involved with, seemingly, except here, of course. Your Chairman and steering committee have been kind enough to allow me to do so. But, I still do not have an appeal in the strict sense because I really do not know where you put that, possibly in the ash can. I see the BBG as an excellent appeal board.

Mr. MACDONALD (*Prince*): I am still not very clear on it. At the moment your application could simply be accepted or rejected by the DOT; is that not correct?

Mr. DAVIS: They unofficially refer these to the BBG.

Mr. MACDONALD (*Prince*): Right.

Mr. DAVIS: If the area is one which we are told the BBG do not feel they should look after—microwaves is one and they are quite blunt to me about this; they feel this is within the purview of DOT—in effect, there is no appeal to anyone and I find this unusual. It is not unusual in the system we have but I find

it unusual, from what I believe, and I suppose we have a different attitude toward democratic privilege at the city level, that I do not have a right of appeal.

Mr. MacDONALD *(Prince)*: Under the new legislation, if your application in the first instance came to the BBG—just that part alone, leaving the appeal aside for a moment—would you think the BBG under its newly envisaged structure would be the correct and proper place, and the place you would find most suitable in terms of the kind of application you would be making?

Mr. DAVIS: No; I feel the Department of Transport could rule on the legislation and could make a decision within the terms of reference set up by parliament from time to time. I feel, again I repeat, that the BBG should be the appeal body to which we could go if owing to some happenstance or peculiarity the Department of Transport, within its rules, or the interpretation of its rules should deny us the right to do one thing or another.

Mr. MacDONALD *(Prince)*: I should follow this up for a second.

Mr. DAVIS: Yes.

Mr. MacDONALD *(Prince)*: Would you still feel then that the private broadcasting sector as well as the Canadian Broadcasting Corporation, would have relationship to the BBG as it is presently outlined? What I am saying is that apart from your particular situation you think it would be quite acceptable for other communication facilities in this area to use the BBG as it would be constituted?

Mr. DAVIS: Yes; I have always been surprised that the CAB decided to break away from the CBC looking at their problem, because at that stage of the game they might then well have had the BBG as an appeal board.

Mr. MacDONALD *(Prince)*: I was not aware that they did.

Mr. DAVIS: I think in retrospect they have arrived at somewhat similar conclusions because in their brief last Tuesday they suddenly say: "We think the BBG is a good idea." What they are really saying, to my mind, is that they miss the CBC because they do not have an area of appeal and they would like to supplant the BBG there. I do not see it.

Mr. JAMIESON: Oh, I must contradict you, that is wrong and this is something in which I happen to have some expertise.

Mr. DAVIS: I am sure you are an expert in it and I am offering my own opinion.

Mr. JAMIESON: No; in all seriousness I do not think that is right.

Mr. MacDONALD *(Prince)*: No, I think Mr. Jamieson is correct there. What you are saying then really is that you are asking for a particular status for your application as compared to the applications of other people involved in the areas of radio and television communications.

Mr. DAVIS: Oh, no, no. I am asking that an application of this type to have the same status as all other applications. I suggest to you that a microwave is a technical problem not a policy problem. After all, it is inanimate. It does not do anything. It carries a signal as I would carry a trunk.

Mr. JAMIESON: Not if it is a radio or television transmitter, Mr. Davis, per se.

Mr. DAVIS: Per se, except they input.

Mr. MACDONALD (*Prince*): But we have been talking about all kinds of inputs and variations of inputs. It seems to me that it is merely a matter of technique, but when it comes to the matter of what is appearing on the screen it could not matter less to the viewer and this is what we are primarily concerned with, I believe, the viewer. It could not matter less to the viewer whether or not he is seeing that because it comes through coaxial cable, because it is through a microwave length or because it has originated five blocks across town or a thousand miles away. If he has a picture on his screen that is the end product he is viewing and this is the question facing us, I think. I think we could get into all kinds of variations on this, but the question at stake is really who is going to exercise a certain kind of equal control, if you like, in terms of the use of the television screen so the viewer is offered a multiple choice or no choice, depending on what is considered available and proper and feasible.

Mr. DAVIS: I do not believe I would ever suggest, nor does the White Paper, that you should change the current status of the CBC or for that matter CTV.

Mr. MACDONALD (*Prince*): It does seem to me you are looking for some kind of special privilege in all of this inasmuch as you are willing to accept a certain kind of very stringent and clearcut regulation for one aspect of the communications industry, and for another aspect of the communications industry you are looking for another kind of treatment.

Mr. DAVIS: No, I do not think you can ever read that into what I say. What I have indicated is that you determined what CBC and CTV should do. I did not. I am asking you either to reverse that stand or to continue—

Mr. COWAN: We cannot ask the CBC to do anything. Did you ever try to tell them to do anything?

Mr. DAVIS: —that stand. I think, at this moment, that is your business, the business of parliament, to make these determinations. I am not asking you to reverse time: that was your decision.

Mr. COWAN: All that is left to us to do is hand over the money. That is all they allow us to do. And then cabinet stands up and applauds them for saying it.

Mr. DAVIS: What I am saying about CATV is that the function should not be stopped because of a technical problem of distance. If you are going to review the whole CATV industry, that is fine. But why segregate a portion of the industry unless you set up a guideline which says that economics shall be the decision.

Mr. JAMIESON: Mr. Davis, I have a question, if Mr. MacDonald will permit me. The people who preceded you today made it, to me, very clear that they were dealing with what they repeatedly said was a community antenna television system. In other words, it was simply a matter of convenience, a master tower instead of a whole series of antennae. Now, I can understand that and I must confess that there is some logic in my view, too, in saying it you can do it in Toronto why the heck should we not do it in St. John's, Newfoundland. I can see, emotionally, if you like, that sort of thing. But what I am saying is this. We have a body of law and regulation governing broadcasting. Now, to set up a

hypothetical situation, anybody who moved in before the Board of Broadcast Governors, following the standard procedures today, and said: "I want a transmitter in Calgary and I propose to broadcast nothing but the output of an American station which I am going to feed up by microwave to Calgary"; would be laughed out of court. Not only would he be laughed out of court, but the application would not be accepted because he had not met the criteria.

Now, the only difference in the type of proposal you are advancing—and we are going, I suspect, to run into many of these across the country—is that you are saying you are going to bring it up in that way but instead of putting it over the air, in which case you, by your own admission, say you would have to apply to the BBG and we all know you would be turned down,—the same product, the same programming is going to be sold to the people of Calgary. I suggest that is the only difference I can see between the two points of view. Now, if it is wrong, and if the general consensus of Canadian opinion is wrong in saying that you should not be able to broadcast a totally American service for free—and I have to go back to that word again—then I wonder how we can reconcile that with the idea that it is all right to sell it. That seems to me to be the issue. It may be that we should not be imposing the conditions that we are on conventional broadcasting, but as long as we are then this has to be the basic question.

Mr. DAVIS: But where is your equality? You are telling me because the broadcast industry has certain regulations imposed on it, content, ownership and so on, that until they remove the—if you are biased one way—fettering of it—if you are biased the other way, it should have more—you are going to use distance as a disciplinary agency against others. Why would you wish to do this? I am confused to a degree here. The Fowler Commission says that 54 per cent of Canadians at that time could receive American signals off the air, and they have been added to by the technological advantages of a community antenna receiving system, why would you suddenly decide now to become Simon pure and separate those who are a little further away. I am confused and I do not know how to answer.

Mr. JAMIESON: I hope you are using "you" in the collective sense because I have not expressed any personal opinion.

Mr. DAVIS: No, no. I mean that always.

Mr. JAMIESON: I think Mr. Fairweather hit it dead on the nose, and we are just as aware of it as you are in western Canada, that there are many things and many advantages of centralized living in Upper Canada, as we used to call it, that are not available to us.

The CHAIRMAN: The Calgary Stampede; the northern lights.

Mr. JAMIESON: The point is I have only CNR, we do not even have CPR service. Now should I go on a crusade to say that my rights as a Canadian are so—

An hon. MEMBER: Go anywhere; it will be all right.

The CHAIRMAN: We demand the Calgary Stampede in Toronto. We demand the northern lights in Toronto.

Mr. JAMIESON: Turn off the mikes and I will tell you where to go. But this is really the nub of it though. You make the whole case, really, on the basis of

geography and I admit that it is an appealing case. I do not argue against that except that the reality of the situation, if we were to carry it to logical extremes, would bankrupt the country, apart from everything else, to give us all the same kinds of things that are enjoyed, say, in central Canada.

Mr. MACDONALD (*Prince*): I would just say one other thing, too, in connection with that. Earlier you remarked that if the whole thing was free, in other words, if all restrictions were taken off, this might be the best of all possible worlds. Naturally with the $143 million that Ralph continually reminds us of the CBC would likely survive. We might have to increase it a bit more, Ralph, because they would lose certain advertising revenues.

Mr. COWAN: Oh, I do not think another $10 million would bankrupt us.

Mr. MACDONALD (*Prince*): But the thing that would really suffer I would think, just off the top of my own head, would be private broadcasters because then private broadcasting would be forced to compete with all these other avenues, and in a sense we then would be placing a sizeable part of an already established industry on a very slippery footing and I doubt whether that would be the best of all possible worlds, not only from the standpoint of the business involved but also from the standpoint of what a local program producing agency achieves by way of local identity.

Mr. DAVIS: I do not understand how you arrive at that conclusion, on three points. One, I have never said—and I am sure what the board might review in these things is in the White Paper—you should remove the requirements of proving the economics of the situation. I do not necessarily agree with that but I have never suggested to you that this should be removed.

Mr. MACDONALD (*Prince*): But you do not disagree?

Mr. DAVIS: No, I do not agree with it but I have never suggested to you that you should remove it. My attitude is I do not agree that it should be there. But the other factor is, a large segment of the broadcasting industry as was shown last Tuesday in the CAB's own comments, is itself either partners or part of a cable television system. Why would they elect to destroy their industry? I just do not see that they would sit here in front of you in all conscience and say we joined the CATV bunch because we want to destroy our industry. A large segment of the broadcast industry, as again demonstrated last Tuesday in the CAB's own comments is itself either a partner, or a part, of a cable television system. Why would they elect to destroy their industry? I just do not see that they would sit here before you and, in all conscience, say "We have joined the CATV bunch because we want to destroy our industry."

Mr. JAMIESON: For the sake of the record, though, the number of private television broadcasters who are participating in CATV is not a large percentage, if that was the expression you used.

Mr. DAVIS: At the same time—

Mr. JAMIESON: A few of them are, but I do not think there are very many.

Mr. DAVIS: I use that as an illustration.

At the same time, from an engineering point of view it is somewhat obvious that within the near future the cable system will probably encompass every

town and city in Canada, and that the only people left off the air on television will be those in individual, rural farms, because of the cost of hauling a land line that distance. As long as you continue to improve the state of the art, and carry on with the multiplicity of things that are available to the individual, including such things as education, which the normal broadcaster cannot afford to carry in a competitive system within five years, or possibly a little longer—and this includes the NTV, and the NTV systems and the satellite systems which will use translators—I suggest to you that it is all going to be on cable. What better method is there to carry this multiplicity of programs without completely jamming the airwaves with items which will overlap each other and destroy the potential value.

I do not follow why we are holding on to a situation which is already in the past tense. I am paraphrasing a comment that has been made by a number of experts in the United States and in Great Britain on this subject. About two weeks ago the minister of telephones in Great Britain outlined to Parliament—because telephones are owned by the government of Great Britain —that they were going to use cable from now on to carry the telephone and television and other networks into the home.

If you come from Great Britain, or were born in Canada, or if you look down to the United States, surely we can take advantage of technological research in this direction; and surely you cannot apply the word "free" to the use of cable, because it costs money to buy and to amortize, and the subscriber has the right to use it or not.

Mr. PRITTIE: Although, the British are going to do that they will still have certain regulations about British content and British origin of broadcasting and so on.

Mr. DAVIS: Yes; and if you wish to impose a regulation on content, then of course you have every right to do so. That is what Parliament has retained unto itself. I would not say that I agree with it, but—

Mr. JAMIESON: You cannot impose regulations on the content of a system which is merely picking up American service without a break, or without the insertion of any material other than, perhaps, advertising.

Mr. DAVIS: It would be unfortunate to do so; but the FCC in the United States, in licensing cable television, does exactly that. They require you to delay certain programs and so on within the licence itself.

I am not suggesting that you do this, but I am pointing out that is is already in vogue.

Mr. JAMIESON: Mr. Davis, there is surely a rather fundamental difference in that the Americans are not concerned about the influence of any other country, or so-called foreign programming on a national system. What we are talking about in Canada is something quite different. What we are really saying here—and I think it is what you have said half a dozen times in different ways—is that the whole system is unrealistic and unworkable as it exists at the present time. We should, in fact, let the Americans expose all of their material, all of their programming, without let or hindrance.

Mr. DAVIS: I think this is probably accurate. However, you made the comment that they are not concerned about the Canadian signal in their market. The agreement which we have made with a microwave service in the United States to long-haul the signals into Calgary contains within it—if we could have it passed—the request to long-haul the Canadian signal back who their market. This was not our choice; this was their choice. They wanted this signal back into their market.

This is a market which caters to western goods. Gray Falls and so on are a very large shopping entity so far as Calgary is concerned. They asked for a reciprocal arrangement—if it could be done—to feed CBC and CTV back into the market. I suspect that there will be representation of a similar type to the FCC, saying: "This is a dirty trick." I am very sure there would be, and it was—

Mr. JAMIESON: On the few occasions when American broadcasters have set up what constitutes pirate stations in Mexico there has been the same American concern, as there is in Canada about the Americans. XTRA, I think, is the name of the station, which is now broadcasting into California from Tijuana or somewhere or other. That is a great burr under the saddle of the American FCC. Therefore, if we were doing it to any great extent I am quite sure they would protest.

Mr. DAVIS: But I again ask: Why was not a decision like that made a decade ago? Why suddenly at this moment stop and resist. What is the difference? You cannot pick hertzian waves off the air and use them to—

Mr. JAMIESON: What difference does it make. There never has been decision about the use of microwaves for the CATV system.

Mr. DAVIS: They are trying to make one.

Mr. PRITTIE: I am glad to hear that Mr. Davis is on the Calgary City, Council. I would have suspected that was a politician. He speaks very well.

Mr. DAVIS: I am a professional engineer who, quite frankly, has been dealing with economics here and abroad for Canada. I have been sent abroad by the Liberal government on two occasions.

I am concerned about Canada's economic position and the fettering that rules seem to create. I am not concerned about the lack of appeal, because at my level of government you can appeal my decision.

Mr. PRITTIE: I was paying you a compliment. You are a good politician.

Mr. COWAN: Mr. Chairman, I want to ask Mr. Davis a question. In the submission regarding Calgary and Edmonton am I right in my understanding that the microwave feature would be between Salt Lake City and the Canadian border, and that at the Canadian border you would pick up the programs by land line, using the Alberta government telephones; so that you would be using the coaxial cable in Canada, and the microwave only in that portion of the United States between Salt Lake City and the border?

Mr. DAVIS: No; the microwave system exists in both Canada and the United States, because of American Telephone which is tied into the AGT system and the Trans Canada system. There seems, on the Canadian side, to be resistance to beaming microwave point-to-point as in telephone. This is not so in the

American FCC. The way things are at the moment we would have to dip down from the last tower, go across the border by land line and back up the tower again. That is the only place that the land line would come into it.

Mr. COWAN: You were not planning to use the Alberta government telephone line from the border to Calgary and Edmonton?

Mr. DAVIS: Yes; right from Milk River through to Edmonton. The system is in existence, and this is the one that would be used.

Mr. COWAN: Are you planning to use it to get the programs to Calgary and Edmonton?

Mr. DAVIS: Yes.

Mr. COWAN: The microwave you plan to use would only be in the United States.

Mr. DAVIS: No; both sides.

Mr. PRITTIE: The Alberta government telephone have microwaves. I think this is the point.

Mr. DAVIS: That is right. We would be leasing the Alberta government telephone system from north of the border.

Mr. COWAN: That is already legal. The Alberta government telephone system is already legal—

Mr. DAVIS: That is right.

Mr. COWAN: —and using microwaves. But Jack Pickersgill does not like it; is that it?

Mr. DAVIS: No; as a common carrier, I could go to the Alberta government telephones and demand that they carry a legal system, whatever the legal system is. The only difficulty that we have in this is in trying to stay within the terms of reference of the rules, and that is to pick it up and obtain an antenna to pick up the signal. Quite frankly, the alternative method, and one which is apparently legal, is to put the antenna on the American side of the border, haul it across by land line and go to the AGT and demand common carrier service and it would pump it into Calgary.

Mr. COWAN: That is what I was driving at.

Mr. DAVIS: That would be circumventing the regulations. I have never felt that this is what I wanted to do.

Mr. COWAN: Were you ever in Brownsville, Texas, sir?

Mr. DAVIS: I know of a number of places where this is done.

Mr. COWAN: Well, in Brownsville, Texas, the Americans will not allow you to pipe oil in from Mexico, so they just have 1,000 tank trucks moving back and forth in a circle bringing it in by truck and dumping it into the pipe line.

Mr. DAVIS: The situation is analogous.

Mr. COWAN: It is done. I thought this is what you were trying to do.

Mr. DAVIS: But I have been trying not to circumvent the regulations, sir.

Mr. COWAN: But if you are refused a licence I do not blame you in the slightest for trying to circumvent the regulations.

Mr. DAVIS: It bothers my conscience to circumvent regulations.

Mr. COWAN: I have been a Liberal for so long that my concience does not bother me any more!

The CHAIRMAN: Order, please.

Mr. COWAN: We allow *Time* and *Readers's Digest* into Canada, because it does not affect the publishing business, but we are going to keep the Mercantile Bank out because it would affect the banking business, do you see.

The CHAIRMAN: Well, we seem to have exhausted—

Mr. COWAN: I want to come back to the brief.

The CHAIRMAN: —the matters before us.

Mr. COWAN: I have read this brief in full and I wish to go over it with the witness, if I may. On the first page, under "Summary", there is the reference:

> ...based upon unofficial policy of the Department of Transport not to allow use of microwave facilities for development of cable television installations in Alberta...

You know, of course, that they are allowing the microwave system for the development of cable television in Quebec. That is one of the provinces that is more equal than the others. You do not get an equalization payment in Alberta as we do in Ontario, but we give equalization payments to Quebec. You are not allowed to use the microwave facilities in Alberta as they do between Roberval and Chibougamau?

Mr. DAVIS: I am aware of the variations in the regulations.

Mr. COWAN: That is a very nice word. You would not use the word "discrimination"?

I will just drop it as though it was unintentional. You refer to:

> ...precedents in which this service has been authorized by federal authorities to proceed in other areas of Canada.

I know of other areas of Canada. What areas were you referring to, or thinking of, when that was written?

Mr. DAVIS: I am sorry; where are you at?

Mr. COWAN: Page 1 of your submission, in the second paragraph, under the heading, of "Summary".

Mr. DAVIS: There are a number of precedents. You mentioned—

Mr. COWAN: Roberval and Chibougamau.

Mr. DAVIS: —some, and more were mentioned by the—

Mr. JAMIESON: Roberval and Chibougamau is for the carriage of Canadian signals.

Mr. COWAN: That Canadian signal would not carry the World Series, would it?

Mr. DAVIS: Oh, yes. That is 100 per cent Canadian content.

Mr. COWAN: I see; and NHL hockey between Chicago and New York would be Canadian content, too?

Mr. DAVIS: That is right.

Mr. COWAN: I wanted to get that clear, because I understood it was done only for Canadian content in Canada. What other places can you mention?

Mr. DAVIS: There were some mentioned this morning that use a single hop. To me, as an engineer who has been in practice for 17 years, a single hop is microwave and a multiple hop is microwave, and these certainly are in vogue. Granted they are hauling Canadian signal in those particular cases, but there are single hop systems which the television stations themselves are using, and that is microwave. In other words, the use of microwave is very much in vogue.

Mr. COWAN: I was told this morning, when I was discussing your brief, that because the Canadian Cabinet used to allow the microwave between Vancouver and Powell River that was no reason why they should grant you permission to use microwave now, and this I consider a very weak argument.

Could you name some of these places where microwave is now being used, as you say, in other areas of Canada? I know the four places. I wondered whether you knew of others, because I only know the four.

Mr. DAVIS: I only know of our which are utilizing this service. We know of one in British Columbia, which is using one reflector. Was that included?

Mr. COWAN: Yes; I have heard from Jim Byrne that there is a place in British Columbia, up and down some valley, where they use a reflector from the United States to Canada, but this was not given to me as one of the four examples. That is why I asked you if you knew of more. That makes a fifth one?

Mr. DAVIS: In what an engineer would call microwave, transcribed signals, yes.

Mr. COWAN: I agree with you on that. I wondered whether you knew of many more. You have mentioned one more, which makes it five.

In the summary you say: "...Based upon unofficial policy of the department". When you discover what the official policy is would you write to me?

You have a reference in there that

> On December 4 1966 Mr. J. W. Pickersgill, Minister of Transport denied us a licence to operate because of a need to transmit some of the television signals on microwave to reach Calgary.

But in using the microwave to reach Calgary the Alberta Government telephone system would be using it, would it not?

Mr. DAVIS: That is quite correct.

Mr. COWAN: It is not you who are using the microwave?

Mr. DAVIS: That is absolutely correct.

Mr. COWAN: What I am trying to point out is that Mr. Pickersgill is denying the right of the Alberta Government telephone system to transmit what a

subscriber wants to. That is the same as censoring my conversation with a cousin in Edmonton, or an uncle in Calgary.

Mr. DAVIS: Probably quite necessary!

Mr. COWAN: I beg your pardon? Then, in the course of the letter, Mr. Pickersgill says:

> The general line of argumentation that you have advanced with regard to this subject would, it seems to me, be an appropriate matter for consideration when this legislation is before Parliament for consideration, and I feel sure that, at that time, ample opportunity will be afforded for submissions of briefs or documents relating to policy in this regard.

I think your presence here today is quite necessary. You have made some reference to intervening. You are not intervening here at all, sir; you are welcome.

Mr. Pickersgill has asked for the submission of briefs or documents relating to policy. This committee is supposed to be talking about broadcasting policy. I do know that there are certain people who would like to think that it is unnecessary for us to make a report. I thank you for having come down. The White Paper says that everything the CBC has done is eminently praiseworthy. It is quite a nice paper.

Then Mr. Pickersgill continues in his letter:

> So, for the time being, and contrary to some reports made yesterday, there will be no change whatsoever.

You can understand why we think that we are wasting time discussing policy when letters like this are written to applicants like you. We thought we were being asked to give some advice on policy, but it looks as though they are not going to listen to us anyway.

When you write:

> The Association made it abundantly clear that systems do not compete for advertising revenue—

I know that that last quoted statement is correct because under CATV you do not seek advertising. I do feel that it should be pointed out, however, that the Canadian Association of Broadcasters, and the CBC resent CATV because you dilute the size of their market; and although you do not sell advertising, as a result of the reduction in the size of their market advertisers will wrangle with them about an advertising rate. To adopt the attitude of some private broadcasters and the CBC, that they are opposed to the CATV idea because of American or foreign ownership, which takes in Great Britain—as though it was not affecting their pocket book in the slightest—is, in my opinion, misleading their auditors.

Your statement:

> The Association made it abundantly clear that systems do not compete for advertising revenue—

is quite true, but you have to agree with me, do you not, that CATV can affect their advertising revenue by diminishing the size of their market?

Mr. DAVIS: I do not think there is any doubt that what you say is correct. Again, we all were willing to agree to the submission of an economic brief to determine how serious the effect, if any, would be. Certainly there was, and we used, the BBM measurement to determine our economics brief, and felt that we could have been judged on that, but they suggested that it be presented here.

Mr. COWAN: I agree one hundred per cent with you when you refer to "the inequity of a part of Canada being prevented from enjoying services which all others enjoy should not be continued". I could not agree with you more. I cannot see why your application has been refused, particularly when the microwave facilities are being used by the telephone system. I have hunted in Labrador. It is a wild country—

The CHAIRMAN: It is possibly a little far afield of the subject of the day, Mr. Cowan. Do you suppose we could get away from Labrador and back to—

Mr. COWAN: Yes; I was going to point out to my friend, Mr. Chairman, that I was hunting between two microwave towers on the Bell Telephone System and I wondered if the Bell Telephone System, where it uses wires, comes under the Board of Transport Commissioners and, where it uses microwave, comes under some other governing authority. I thought it was germane to the subject. You should have listened to what I was going to say. I have first-hand experience.

The CHAIRMAN: It was the hunting I was worried about.

Mr. COWAN: It was between the Sona Lake tower and the Goose Bay tower. I was in the Sona Lake tower.

An hon. MEMBER: What did you shoot at?

Mr. COWAN: Caribou; I had a special licence from Joe Smallwood. It was the first caribou ever shot in Labrador too.

The CHAIRMAN: No wonder your conscience is bothering you.

Mr. COWAN: Mr. Davis, I simply wanted to know if the Bell Telephone comes under two governing authorities because they use microwave in certain parts of Canada and the land wires in others?

Mr. DAVIS: Yes; most certainly.

Mr. COWAN: There are the two governing authorities affecting them?

Mr. DAVIS: The two governing authorities?

Mr. COWAN: Yes?

Mr. DAVIS: They must obtain frequency, of course, for microwave from the federal government. In the case of a land line system within the province they do not require any authority but their own. However, where they cross a boundary with land lines from province to province they again must seek advice federally; whether or not that becomes a licence is a good question.

Mr. COWAN: It is interesting to note the fact that Bell Telephone, as well as the Government telephone system in Alberta, is using microwave and that the government does not refuse them licences, although it refuses you permission to give the people in Calgary and Edmonton their choice of the programs that are on the air.

I notice that on page 7 you refer to the "unofficial regulations of the Department of Transport". I cannot understand why "unofficial regulations" are enforced. You use the expression and I know it to be correct, but it is unfortunate that you are able publicly to refer to "unofficial regulations" which impede the operation of your business. I simply want to draw the attention of the Committee to that statement.

Then you say on page 9 that "in all fairness...equal access should be provided to other forms of television". I could not agree with you more. I do not like to see any efforts being made to put blinders on the eyes of the Canadian public; that they should be told that they can listen only to certain television stations and look at Canadian content, primarily, if the people who are expressing an interest in broadcasting had their way. I believe in freedom of choice. If I, or other Canadians, do not choose to look at Canadian stations I do not see that that is any concern of the Canadian Association of Broadcasters or of the CBC.

I think that you should be granted your licence, sir, and, since you were told to present the matter to the Committee here, that is the recommendation that I would make and support.

The CHAIRMAN: That is very generous of Mr. Cowan. This Committee has no jurisdiction in the matter, sirs, but you will fully understand that we do appreciate your submission which will assist us in considering the principles and issues raised in the White Paper and the policies that should be incorporated into any new legislation on broadcasting.

Yours has been a quite different point of view from that expressed by the Association and that is why we were anxious to have you appear when you indicated your interest in coming today. Thank you very much for contributing to our consideration of this White Paper.

HOUSE OF COMMONS

First Session—Twenty-Seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 37

TUESDAY, JANUARY 31, 1967

WHITE PAPER ON BROADCASTING (1966)

WITNESS:

Mr. Henry Comor, President, Association of Canadian Television and Radio Artists (ACTRA).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25544—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Asselin (*Charlevoix*),	Mr. Johnston,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	Mr. Mather,	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, January 31, 1967.
(56)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.40 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Brand, Cowan, Hymmen, Jamieson, MacDonald (*Prince*), Macquarrie, Mather, McCleave, Pelletier, Prittie, Prud'homme, Richard, Simard, Sherman, Stanbury—(16).

In attendance: From the Association of Canadian Television and Radio Artists: Messrs. Henry Comor, President and Paul Siren, General Secretary.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

Agreed:—THAT Appendices J and K of the brief of the National Community Antenna Television Association of Canada also be included in the evidence of January 19, 1967.

Agreed:—That the brief of Community Antenna Television Ltd., Calgary, Alberta, previously distributed to members of the Committee and discussed at the sitting of January 19, be printed as an Appendix to this day's Minutes of Proceedings and Evidence. (*See Appendix 14*)

Agreed:—That the submission, "Some Observations on Canadian Broadcasting" by Mr. E. Austin Weir, be printed as an Appendix to this day's Minutes of Proceedings and Evidence. (*See Appendix 15*)

Agreed:—That the submission by Mr. Warwick Webster, Canadian Songwriter and Composer of Orillia, Ontario, be printed as an Appendiq to this day's Minutes of Proceedings and Evidence. (*See Appendix 16*)

The Chairman advised that Sir Hugh Greene, Director-General of the BBC and Sir Robert Fraser, Director-General of the Independent Television Authority (U.K.) will appear before the Committee on Thursday, February 2.

The Chairman then introduced Messrs. Comor and Siren.

Agreed:—That the brief of the Association of Canadian Television and Radio Artists (ACTRA) be taken as read and included in this day's evidence.

Mr. Comor was examined on his brief, and supplied additional information.

The examination of the witness being concluded, at 1.10 p.m., the Committee adjourned until 9.30 a.m. on Thursday, February 2.

M. Slack,
Clerk of the Committee.

25544—1½

EVIDENCE

(Recorded by Electronic Apparatus)

TUESDAY, January 31, 1967.

The CHAIRMAN: I will now call the meeting to order.

Before I introduce our witnesses of this morning, I might say that there has been a suggestion that appendices J and K, which were attached to the brief of the National Community Antenna Television Association of Canada, be included with the submission as part of the record of the Committee. We had decided to include certain other appendices, but it appears that appendices J and K would also be relevant in that they are summaries of fact rather than texts of letters and regulations as were some of the other appendices which we eliminated.

Is it agreed that appendices J and K of that brief be included in the record of the Committee?

Some hon. MEMBERS: Agreed.

Mr. PRITTIE: There is one other point, Mr. Chairman. I think the brief which Mr. Davis of Calgary presented should also be included.

The CHAIRMAN: Is it agreed that it be part of the proceedings? It could be included as part of today's proceedings as those of the previous meeting have gone to the printer.

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Members of the Committee will have received other two written briefs, one submitted by Warwick Webster of Orillia, a Canadian composer, and the other by E. Austin Weir, author of "The Struggle for National Broadcasting in Canada." They have each asked that their briefs be distributed to members of the Committee, but have indicated that they cannot attend.

What is the wish of the Committee with respect to these briefs?

Mr. PRITTIE: I think they should be included in the minutes of the proceedings.

The CHAIRMAN: Is that agreed?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Members of the Committee will recall that on Thursday and Friday of this week we will have with us the Director-General of the British Broadcasting Corporation, Sir Hugh Greene and, at the same time, Sir Robert Fraser, the Director General of the Independent Television Authority in the United Kingdom.

It will be important, I think, for all of us to be here at 9.30 on Thursday and be available for as much of Thursday and Friday as we possibly can so that we can wring the last ounce of advice out of these gentlemen while they are available to us.

The Committee is expected to meet in room 371 West Block on those days.

We have with us this morning Mr. Henry Comor, President of the Association of Canadian Television and Radio Artists, and the general secretary of that association, Mr. Paul Siren.

Mr. Henry COMOR (*President, Association of Canadian Television and Radio Artists*): Mr. Chairman, if I may, I would like to say a few words in French.

The CHAIRMAN: Certainly.

(*Translation*)

Mr. COMOR: Mr. Chairman, members of the Committee, I hope you will excuse me if I speak only in English this morning. As you must have noticed, my French is not very good and for this reason it would be better to answer in English the questions that will be asked of me in French. We think the presentations made to this Committee are extremely important and I would not like to be misunderstood.

(*English*)

Mr. Chairman and members of the Committee, I do not know whether or not you want me to read this written presentation. If you do, of course, I am certainly willing.

The CHAIRMAN: Mr. Comor, I might ask members of the Committee whether they have all had the opportunity to read the briefs and, if they have, whether they are prepared to proceed to questioning, unless Mr. Comor particularly wishes to add to his brief.

Mr. COMOR: Mr. Chairman, we have given you almost 25,000 words, and to add any more would, perhaps, be leaving ourselves open to an accusation.

The CHAIRMAN: You have put a lot on our plate, but if there is anything further you would like to add at the moment, please do.

If not, I think the members have had the material long enough that they might proceed to question you. However, I think that members will want to have your brief included in our proceedings for today.

Is that agreed?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Will it be adequate to refer to your brief as the one dated January 1967? The other memoranda are available elsewhere, I suppose?

Is it agreed that the brief dated January 1967, be printed as part of today's proceedings?

Some hon. MEMBERS: Agreed.

Mr. COMOR:

> The Association of Canadian Television and Radio Artists, representing the professional writers and performers of Canada in the English language, has decided to limit itself in this presentation to a discussion of new broadcasting legislation. This, we feel, should not itself be limited to a new Broadcasting Act, but should also include measures designed to encourage greater Canadian participation in the broadcasting industry.

Appended to this presentation is a memorandum addressed to the Secretary of State, dated April 1966, and, for reference purposes, a brief to the Committee on Broadcasting of October 1964 and a brief to the Minister of Finance of August 1965. Accompanying me today is Mr. Paul Siren, General Secretary of ACTRA, and we are at your disposal to answer any questions on any subject appertaining to broadcasting that you may wish to ask.

We are satsified that there is now a new determination on the part of the Government of Canada to establish conditions under which broadcasting in this country may become more fully Canadian in Content, texture and approach. In our view the new Broadcasting Act should state in categoric terms what will be required of broadcasting and broadcasters. The present Act is far too general in its approach, leaving to individuals to interpret its intent for themselves. It is our opinion that the new Act should specify quite clearly that broadcasting in Canada should be Canadian, that imported programs be kept to a minimum.

It may be felt that this is the policy now, but that past and present experience has shown that from purely economic considerations, such a concept is not feasible. It is our hope to demonstrate in this presentation that it is possible to produce a much greater proportion of Canadian programs on both the public and private sectors without damage to the profit margin of the privately-owned stations or to the balance sheet of the public network. But if it is true that Canada cannot afford a predominately Canadian television program service, then we would suggest that consideration be given to limiting the number of hours a day broadcast by the CBC and the private stations. At this time the CBC is broadcasting approximately fifteen hours of television each day, the private stations eighteen and a half. A 55 per cent Canadian content means that each network must, on the average, program eight hours and fifteen minutes and ten hours and ten minutes of Canadian shows every day. If television broadcasting in Canada was limited to the hours 4:00 p.m. to 12:00 midnight (i.e., eight hours a day), the Canadian content regulation could be raised for the CBC to 75 per cent or six hours and for the private stations to 65 per cent of five hours and twelve minutes a day.

Admittedly, this reduction in program hours would result in a loss of commercial revenue and a loss of audience in the morning and early afternoon to U.S. border stations, but neither of these factors would result in a net monetary loss, nor would the Canadian public be appreciably damaged in terms of service.

There may be another circumstance under which this step should be taken which will be dealt with later on in this presentation.

There are two main functions of broadcasting in Canada whatever the type of programming, and these functions should be clearly set out in the Broadcasting Act. They are to relate Canada to Canada and Canada to the rest of the world. In neither of these objects has broadcasting been fully successful. Of course, this year we are going to see and hear a great deal about Canada, her past, her present and her future. But how many of

us know too much about Edmonton or St. John's or Vancouver—or even Toronto—even those who live in those cities? We believe the answer to that question is "not enough". Are Canadians just the same as Americans? Do we think alike? Do we laugh and cry at the same things? And are Canadians identical wherever they live? The answer to all *those* questions is no. But radio and television programming does not fill out that answer as it should. There must be a requirement for more regional programming on both the public and private systems of broadcasting, programming of all types. "Don Messer's Jubilee" is a network program, enjoyable to viewers wherever they live, but it is a show with a particular maritime flavour that tells us, if we want to know, something about that part of our country.

In relating Canada to the rest of the world we have been an abysmal failure. The excuse has always been that it is impossible to sell programs to the United States and almost impossible to sell them to Britain, that in any case, to do so would cost a great deal of money which cannot be risked. And anyway, our programming is for Canada and not suitable for the rest of the world.

None of these reasons can hold water when examined carefully. It is true it is difficult to sell programs to the United States. But it is not impossible.

In 1966 almost twenty million dollars was spent by CBC and CTV in the purchase of American television programs at rock bottom prices. That is more than was spent on all Canadian performers, writers and musicians, both French and English, on all our TV and radio.

We have discussed this with the chief executives of the American networks, who have expressed astonishment that the individuals responsible for the purchase of American programs for Canada do not use an elementary bargaining technique. Why, they ask, do not the Canadian networks refuse to buy American programs unless the American networks agree to purchase some Canadian programs or at the very least join in co-productions in Canada

Our twenty million dollars is valuable to the Americans; it represents a good deal of their profit margin, and our bargaining power is therefore strong. It is particularly strong since the CBC has demonstrated this season that it can produce a filmed series of superior quality and of appeal to audiences all over the world.

Such series, produced in 35 millimeter colour, would cost in Canada $60,000 an episode, as compared with a production cost of close to $200,000 in the United States. Supposing one series in four could be sold to the U.S., Britain and the rest of the world, an additional series sold to Britain only, and the other two in Canada only; there would be, with re-runs, a net profit on the operation.

It is easy to dismiss this idea, but the plain facts are that neither the CBC nor CTV has ever tried it, and the government has never made it clear that the constant dollar drain for purchase of American TV programs should be redressed by some export dollars coming into Canada.

One of our recommendations to the Secretary of State was that at least a proportion of the money spent by Canada on the purchase of foreign television programs should be frozen in this country for re-investment in Canadian broadcasting. Such governmental action has been taken in other industries and in broadcasting in other countries. If similar legislation were enacted in Canada, it would result in a much more healthy broadcasting system and would assist both the public and private networks in their search for foreign sales.

There is other legislation open to Parliament that would be of incalculable value to Canadian broadcasting. Bill C 204, due for second reading in this session, is designed to provide financial assistance to the Canadian film industry. We believe that it is imperative that Bill C 204 be given utmost priority and that, if possible, its application should be extended to include the television film sector. We believe that the independent film producer in Canada should be utilized by both networks to a much greater extent than at present in terms of co-production and specific commissions.

Other ideas for legislative incentives are contained in our memorandum to the Secretary of State and a brief to the Minister of Finance, which are attached to this presentation for easy reference. We believe that they merit study by the Standing Committee.

We mentioned earlier that there was another circumstance which might make necessary a limitation of the hours of the broadcast day. It is this: If the American networks refuse to invest some of their Canadian income in Canadian television, a reduction of the Canadian broadcast day would make it simpler for Canadian broadcasters to live without imports. If there is an implied threat that this action could be taken, we are sure that both American and British networks would come to an agreement on a two-way street for television programs.

The mandate of the CBC is expressed in the present Broadcasting Act in very general terms. We are of the opinion that it should be redrafted to be more specific. This Committee, and certain members of it in particular, have made it clear that of prime concern is that CBC coverage should be available to every Canadian resident. We agree with this. However, we would wish to make one point. It is of little use for all Canadians to be able to watch CBC programs if those programs are largely dominated by imports and if such Canadian programs as there are be of inferior quality because of lack of funds to produce them adequately. Canadian broadcasting is not essential to maintain life, although Canadian broadcasting of excellence and high quality may be essential for the preservation of a Canadian *way of life*.

Which leads us to financing. We reaffirm our belief in the necessity for long-term grants to the CBC. We emphasize that we believe the Government can afford, indeed *must* afford, to spend more money for its public broadcasting system. The present annual grant, even if administered in a more sensible manner—which we believe it must be, does not allow for experimental programming, for program development, for training schemes; it does not allow for rapid expansion of facilities to all

parts of Canada; it does not allow for the replacement of equipment that has long been obsolete; and, most importantly, it does not allow for a program service that is more than slightly Canadian.

We repeat, ever-hopefully, but perhaps somewhat forlornly, that we are of the opinion that an annual grant of $10 for every man, woman and child in Canada is the minimum sum which would allow for the development of a Canadian Broadcasting Corporation of which we could all be truly proud.

It is true that there must be a reassessment of the operation of the CBC On this subject, about which we are, of course, prepared to answer questions, we will limit ourselves in this presentation to one remark. It is that the CBC at present lacks purpose, lacks aim, lacks drive. The employees of the Corporation do not have within them that sense of excitement, that knowledge of why they are there that we think is so essential. To those of us who are glad to be Canadians, who want to contribute something of ourselves to our country, the CBC holds the promise of an eternal flame. Regrettably, at the moment it seems to us to be flickering and almost to be extinguished. We urge you to give the fuel of your wisdom and foresight to that flame.

As it is, many of the writers and performers of Canada have left us. In the past three years nearly ten per cent of our Toronto membership have gone to the United States. That ten per cent represents more than twenty-five per cent of those of us dependent for our entire livelihood on our profession. We cannot afford to lose them, and we are anxious to have them back. A good many of them would come back—if the new Broadcasting Act provides the climate for an expansion of our broadcasting services.

Six years ago we thought that the establishment of a private network would present new and greater opportunities for Canadian writers and performers. Sadly, that has not been the case. And as things stand at the moment, this could get worse. The CTV network, full of promise when purchased last year by the "second stations," is in trouble. Some of the smaller stations do not need colour or pre-release, but they do need the microwave network. The two largest stations have completely opposite requirements. The situation calls for drastic measures, and we are prepared to propose a step that we hope will be drastic enough.

The Government should immediately purchase all transmission facilities, both local and network, from each of the so-called "second stations" and the CTV network. The present station owners should be given first opportunity to apply—and receive—franchises as local producing companies with strict regulations by the Board of Broadcast Governors in terms of program content.

The producing companies would, under this plan, be permitted, again with strict program regulations, to form a consortium for the purpose of production and purchase of network programs.

We wish to make clear that we do not advocate the purchase of the stations themselves or the production equipment, merely the transmission facilities.

The purpose of this plan is to relieve the second stations of all the responsibility and most of the expense, at least for the time being, of program transmission. Secondly, we would hope in this manner to return the air waves to public control and place a proper emphasis on the operators of the second stations as producers of programs.

Thirdly, the plan would lead naturally to a publicly-owned satellite system, the facilities of which would be utilized by both the public and private networks and stations.

The plan would give assistance where it is most needed—at the small station level, enabling those stations to participate in a much more Canadian second network service.

The above plan mentions regulations and controls by the Board of Broadcast Governors. No presentation such as this would be complete without some mention of the BBG and regulations in general, and although we have dealt with this subject fully in the material appended to this presentation, we wish to make a few additional remarks.

We agree with the Board of Broadcast Governors that the Board should have the power to grant licences or franchises and to set the conditions under which those licences or franchises must be operated.

We agree that Canadian content regulations should be tightened up and that both the CBC and the private stations should be required to adhere to the regulations set by the Board. In our brief to the Broadcasting Committee we recommended that there be a specific Canadian content regulation for each area of the program mix. In this way, we thought, each individual producing company could be given its own standard to live up to, and the addition of cheap Canadian programs in day-time hours could be used to fulfill the overall regulations. The Committee questioned us in private on our ideas for policing such a scheme, and we had to confess that although we were sure that electronic data-processing could be used, we had no concrete idea on the practicalities of the system.

Now, however, we are able to offer a practical solution which would not only give complete data on the programming of every station in Canada, but would also provide considerable cost-saving to almost every agency involved in broadcasting in Canada.

Every program, every film, every commercial would have imprinted on it a code signal, completely identifying that program, film or commercial. Sensing devices homed in on the wave-length of every transmitting station would pick up the signals automatically.

The sensing device is a little black box on the alert for a "prepared to receive" message. It turns itself on and records the code following. It is set to a station's wave-length and clocks as well the exact moment of receipt. The signals are stored within the device on magnetic tape. Since the signals occupy milli-seconds of time only, weeks of air time can be recorded on one tape.

At an appropriate time, the tape is played over a data-phone to a centralized computer.

The computer would be constantly fed information concerning purchase orders, media schedules, talent payments, etc. Paychecks are computed, taxes withheld, and a complete payment and billing service could be operated.

At regular intervals the computer would give complete data on programming for every station in Canada. There would be no need for station log-books, and in addition Canadian content could be computed with an exactness impossible today.

ACTRA is presently in discussion with the Association of Canadian Advertisers and the Institute of Canadian Advertising for the institution of such a system for the recording of commercials only. We have, however, been in contact with the Board of Broadcast Governors who are now studying the proposed system. We are hopeful that the Board will agree to go all the way with us to include all programming as well.

The initial cost would be of the order of $1,000,000, but the amount would be amortised very quickly to give a system whose annual cost to the participants would result in a considerable financial saving.

We urge the adoption of the proposed system to include a complete check of Canadian content in every area of the program mix.

As regards program policy, we believe that the Board of Broadcast Governors should be empowered to satisfy itself that the policy of both public and private broadcasters is within the public interest as laid down in the new Broadcasting Act. It may well be considered advisable for the Standing Committee on Broadcasting, Films and Assistance to the Arts annually to hear a presentation from the Board on the current program policy of all broadcasters in Canada. The Board should satisfy the Standing Committee that it is exercising its stewardship over broadcasting in a responsible manner, and the Committee should subsequently report to Parliament on its findings.

We cannot say too strongly, however, that the composition of the Board of Broadcast Governors should be limited to members with experience in broadcasting and related fields. It is not intended as a criticism of any present member of the Board when we say that we cannot see how a part-time member, without broadcasting experience, can possibly reach a decision on matters about which the member has heard nothing before and which is only presented to him at infrequent intervals.

The same could be said about the Board of Directors of the CBC. If a Board is necessary to set CBC policy, a matter about which we are extremely dubious, surely the members of that Board must have experience in broadcasting or, at the very least, business administration. In no other corporation in Canada is there a similar over-riding qualification for a seat on the Board as that which obtains for the CBC: that no previous experience of the particular corporation's business can be permitted. Perhaps it is that as we are all arm-chair quarterbacks, we are all arm-chair broadcasters.

If everyone has opinions about broadcasting, nearly everyone has opinions about education. We are no exceptions. We believe that educa-

tional television holds a promise for Canada that must be allowed to flourish. This presentation is concentrating the majority of its attention on television. That is because the television medium has the capacity to mould people's thinking to an incredible extent. As will have been gathered, we do not believe with Professor McLuhan that it does not really matter what is shown, the medium itself is the influence. We are of the opinion that the medium can have fantastic influence for good or ill—depending upon what is shown.

The plans of the Provinces of Ontario and Alberta are exciting, and if allowed to develop, will be of far-reaching effect. Leaving aside the inschool teaching possible on television and even the adult education programs and retraining courses, there is a need, which will become greater as time goes on, for the type of educational television programming which opens doors to new ideas, new thoughts, new expressions. As hours of work get shorter and hours of leisure longer, there will be a constant search by the adult population of this country for something to do. Television can make learning new things not only enjoyable but entertaining, and we share the view of far-sighted educators that the time to begin such programming on a large scale is now.

We do not agree that the CBC should undertake this task: as we have tried to indicate, we believe that the Corporation has quite enough to do without that. Provincially organised ETV, with some suitable program interchange between provinces, should be encouraged and fostered with all the resources that the country can muster.

It does not matter and will not matter if ETV programs are watched by minority audiences. Far too much attention has been given to the idea that mass audiences are somehow so important as to rule out all other considerations. The search for the mass audience has been the major factor in reducing the overall quality of television, and that quality will be reduced still further if the search continues. We are not going to enter the argument about what the public wants. In our experience the phrase has become abused by those whose view of public taste and opinion is one of disrespect and contempt. We will say that it is wrong to disregard the enormous desire of a great many people, even if they are a minority in the country, for educational television of all types and kinds.

It is wrong to disregard the minority who still prefers radio. CBC radio is, we feel, of a very high standard indeed. It is not perfect, but we cherish it. Many of our truest performers and writers have stayed in Canada simply because of the opportunity on CBC radio to exercise a true freedom of expression which is, as a result, never confused with licence to run wild. We hope that the Broadcasting Act will encourage CBC radio to continue, indeed to expand, to experiment, to communicate. Stereophonic radio has not been encouraged in this country except on those F. M. stations that program continuous broadcast of high-quality music. The CBC, however, has only one stereo outlet—in Winnipeg—and as a result is making no advances in this new and exciting field.

Private radio, on the other hand, is on the whole abysmal. There are some good stations, of course. But for every good one, there are fifty more

of the juke-box type. There is no live programming on these stations. The records they play come mainly from overseas. We urge the Government to include in new legislation measures designed to require these stations to do much more than they are now doing of original program material. The report of the Broadcasting Committee dealt fully with this subject, and we endorse the recommendations contained in it. It would not have to cost the radio stations a great deal of money. There are many experienced broadcasters anxious for an opportunity to provide program material on tape that could be bicycled from station to station at a nominal cost. Without regulation the stations will do nothing. There must be regulation.

We do not deny that the arguments and suggestions presented here are motivated from a certain amount of self-interest. But writers and performers in Canada have a self-interest based on a desire to contribute something of ourselves that may be of value to our country. We have nothing else to offer but our talent; perhaps that is all anyone has to offer. We are optimistic that the new broadcasting legislation will give an opportunity for our offer to be accepted.

SUMMARY

1. The new Broadcasting Act should specify that Canadian broadcasting should be Canadian, that imported programs be kept at a minimum.

2. If necessary, the television broadcast day should be reduced to the hours between 4:00 p.m. and 12:00 midnight with an increase in Canadian content for the CBC to 75% and for CTV and private stations to 65%.

3. The two main functions of broadcasting in Canada are to relate Canada to Canada and Canada to the rest of the world.

4. Both networks should be encouraged to negotiate with American and British networks for sale of Canadian programs to U.S. and Britain in exchange for continued expenditure of more than $20,000,000 each year by Canada.

5. Bill C-204 should be given utmost priority and the independent film producers should be utilized by both networks to a greater extent than at present.

6. Reaffirm the need for legislative incentives contained in memorandum to the Secretary of State.

7. The CBC should be financed on a five-year grant of $10 per capita per annum.

8. The Government should purchase all transmission facilities of CTV and private stations and issue franchises to "program producers."

9. The Canadian content regulations should be tightened up and made applicable to each area of the program mix.

10. A new computerized recording sytem should be instituted as a permanent record of the performance of broadcasters.

11. The BBG should satisfy itself as to the program policy of all broadcasters and report annually to the Parliamentary Standing Committee.

12. Members of the BBG and the Board of Directors of; the CBC should be required to have some practical experience or knowledge of broadcasting.

13. Educational television should be encouraged on the lines of the present plans of the Provinces of Ontario and Alberta.

14. Neither CBC nor CTV should be responsible for educational broadcasting.

15. CBC radio should be encouraged to develop and expand.

16. Stricter regulations concerning private radio should be enforced.

Mr. PRITTIE: Mr. Chairman, I might as well start the questioning.

There is much in the brief with which I agree and I will not dwell on those parts. There is the suggestion that others have made about long-term financing of the CBC and the amount of money that should be spent for that purpose and a good many other things with which I agree. I propose just to bring up points about which I have some doubt.

To begin with I will quote from page 2:

> In 1966 almost twenty million dollars was spent by CBC and CTV in the purchase of American television programs at rock bottom prices. That is more than was spent on all Canadian performer, writers and musicians, both French and English, on all our TV and radio.
>
> We have discussed this with chief executives of the American networks, who have expressed astonishment that the individuals responsible for the purchase of American programs for Canada do not use an elementary bargaining technique. Why, they ask, do not the Canadian networks refuse to buy American programs unless the American networks agree to purchase some Canadian programs or at the very least join in co-productions in Canada?

My question following from that is: Is it not a fact that people buying programs for the Canadian networks do not buy from the American networks; that they buy from program-producers rather than from the networks?

Mr. COMOR: No, that is not altogether true. They do buy from the representatives of networks. It is also perfectly true that they do buy from private producers.

Our investigations, however, have shown that these private producers would, if required to by the networks, be willing to come to Canada to produce, or the networks themselves would be willing to purchase from Canada, if the result was that sales would not be made to Canada. This would be particularly true if our suggestion was adopted with regard to the freezing of some of the money earned. For example, suppose a sale were made by a Screen Gems' salesman in Canada for, say, $100,000, and, just for argument's sake, supposing $30,000 of that was frozen in Canada for reinvestment in Canadian broadcasting. If the CBC, or the CTV network, or an independent producer, were to go to Screen Gems and say, "We have a property. Would you invest $30,000 in it? It looks like a good idea and a good proposition"—say, it was just a one-hour special—the likelihood is that they would do it because they have to do something with their money.

Having agreed to invest this $30,000, the great likelihood is that they would then go about trying to get distribution because the way these things are worked is this: His $30,000 probably would be coming right off the top of the income, so he would make sure that it received distribution in the United States to ensure that he got his $30,000 back in the United States, plus a profit. This would get our product distribution in the United States, which as I am very well aware, is very difficult to do at this moment.

Mr. PRITTIE: Your point is that the Canadian market is important enough for the American producers and/or networks to do this. Is that right?

Mr. COMOR: That is correct.

Mr. PRITTIE: Someone who broached this subject suggested to me that the tail would not wag the dog. You are convinced that Canadian sales are important enough to them that it would be worthwhile?

Mr COMOR: I do not think, sir, that it is a question of the tail wagging the dog. It is just the tail having the courage to make just the tiniest little quiver. The dog itself would not be disturbed, because the dog does not really mind from where it gets its grub so long as it is going to get it. The Americans say, and they have proved, too, that they do not really mind where they actually go to produce, provided that they get the property they want—the product they want.

I think that the answer to your question is that our $20 million is very important because it is the largest single market they have outside the United States.

Mr. PRITTIE: Would you have any figures at all on the sale of Canadian-produced programs in the United States for, say, a year?

Mr. COMOR: I am sorry; I do not mean to laugh, Mr. Chairman. It is just that—

Mr. PRITTIE: There are none?

Mr. COMOR: There are not any are there? There used to be an occasional one. There was a series of 13 once sold, I believe, by the CBC. They did appear in the days of tape television and were quite well received. But there is very little sold now, if any.

Mr. PRITTIE: I have in mind a program, produced by the CTV station in Vancouver, called "People in Conflict". Do you know the program to which I am referring?

Mr. COMOR: Yes, sir.

Mr. PRITTIE: This is the sort of program that I would think—

Mr. COMOR: That is produced by an American company, Screen Gems.

Mr. PRITTIE: Yes.

Mr. COMOR: It is not produced by the CTV network. It is, however, produced by Screen Gems of Canada, Limited and not by Screen Gems of the United States.

Mr. PRITTIE: Are they using all-Canadian performers and producing it in Canada?

Mr. COMOR: They are producing it in Canada; that is perfectly true. There was a series produced by Storer Productions, which is also an American Company, called "The Littlest Hobo", which was sold not on the networks but was syndicated, and it has made a lot of money in the United States. It was produced with a majority of Canada performers. It was written by Americans, however, and the stars were usually imported from the United States. There have been those shows.

However, "People in Conflict" does not really use performers. It uses some social workers; it uses one performer as a host and three people who are social workers and it uses occasional people who come in representing real cases. They are very good performers, actually, because they appear to be very genuine; but there is very little rehearsal. It is a kind of ad lib situation. They are given facts about the case and they ad lib; they pretend. They are performers, yes.

Mr. PRITTIE: Are they your members, incidentally?

Mr. COMOR: Some of them are.

Mr. PRITTIE: I see.

That brings me to another question. You have an agreement with the CBC?

Mr. COMOR: Yes.

Mr. PRITTIE: Do you have an agreement with the CTV?

Mr. COMOR: Yes.

Mr. PRITTIE: The network?

Mr. COMOR: Yes.

Mr. PRITTIE: Not necessarily the individual stations?

Mr. COMOR: Not necessarily the individual stations; some of them, but not all of them. We have agreements with those who do any productions of any kind.

Mr. PRITTIE: Can you say what percentage of your membership throughout Canada make, shall I say, a full-time living just from radio and television?

Mr. COMOR: If you will excuse me while I get them out of my briefcase I will be able to give you the exact figures.

Mr. PRITTIE: This is English-speaking only? You do not represent any of the French-speaking artists?

Mr. COMOR: That is correct. This association is only English-speaking.

We have just had an actuarial survey so that I have the exact figures. In 1963 1,488 earned from nothing to $1,000. This does not include those people who earned nothing, which was well over 1,000. I am talking about people who actually earned something. The total earnings of those 1,488 people who earned under $1,000 in 1963 were $475,273. In 1963 there were 188 people who earned between $1,000 and $1,499. and their total earning amounted to $233,004. There were 122 people who earned between $1,500 and $1,999 who earned a total of $214,552. There were 139 people earning between $2,000 and $3,000 and they earned a total of $342,535.

Now we come to the people who, perhaps laughingly could be said to be earning a living—those people earning between $3,000 and $5,000. There were

161 of those people. They earned $628,008 in 1963. There were 163 people earning between $5,000 and $10,000. They earned $1,190,206. There were 105 people who earned $10,000 or more and they earned $1,880,694. The total earnings were $4,964,272.

In 1964 the figures are similar, but a little better. The total was $900,000 more, but there were more people involved There were 1,974 people earning under $1,000, earning a total of $629,139; and at the top limit there were 120 earning $10,000 or more earning a total of $2,151,270.

In 1965 there were 2,115 people earning between zero and $1,000, for a total of $692,529 in earnings. At the top limit of over $10,000 there were 128 people earning a total of $2,298,246.

Mr. PRITTIE: This includes both ordinary program production and commercials, I suppose, does it?

Mr. COMOR: Yes; it includes writers and performers in radio, television, films, recordings, commercials, both radio and television.

Mr. PRITTIE: Do you have any requirement for membership, or is anybody who is performing eligible for membership?

Mr. COMOR: Anybody who performs is eligible, but immediate membership is not available. You get a permit to work. We do not stop anybody from working. You get credits toward up to five appearances. We assume that, having been employed on five occasions, you are serious enough, or proficient enough, and we will admit people to provisional membership and then their membership will be confirmed by the executive committee to full membership.

Mr. PRITTIE: Is it a result of an agreement with your organization that the networks pay people, other than Members of Parliament and Senators, who appear on one program? For example, a number of years ago, before I was a Member of Parliament, I was on "Close-up" one night and I received a cheque for $50 later. Is there some agreement by which you require them to pay this?

Mr. COMOR: Yes; for example, I have a radio program on every Saturday evening at 9 o'clock on which there is a guest every week. The guest gets paid $75 for his appearance, which is related to the scale of payment for an hour program. It is $65 on radio, which we have negotiated.

One of the reasons I have not asked Members of Parliament to appear on that program is because there is an understanding that they shall not be paid, and we have a principle that people who work on radio and television ought to be paid for it.

Mr. COWAN: I have a supplementary question, Mr. Chairman. Mr. Prittie was careful to point out that before he was a Member of Parliament he was on "Close-up". Did he cash that cheque after he was a Member of Parliament, or before he was a Member of Parliament.

Mr PRITTIE: It was four years before the election in which I won.

Mr. COWAN: I noticed that you were very careful.

Mr. PRITTIE: I was also a candidate, incidentally.

Mr. COMOR: I would like to say, Mr. Chairman, that if Mr. Prittie is like any of our members he would cash it immediately after receiving it.

Mr. PRITTIE: I have a few other points to raise, Mr. Chairman.

I realize that you have locals in different cities across Canada and that you might not be too willing to agree with the point of view I present here, but in the United States production is pretty well centred in just a few places, is it not?

Mr. COMOR: Yes.

Mr. PRITTIE: Television and radio network development?

Mr. COMOR: That is quite true.

Mr. PRITTIE: In Canada there is a strong tendency for it to be centred in Toronto and Montreal, with some production in Vancouver and some in Winnipeg, Halifax and so on. Do you think there is enough talent—and I am speaking here of actors, singing performers and so on—for production to originate in two or three places in Canada other than, let us say, Montreal, Toronto and Vancouver? I might add that if half the people had not left Vancouver Toronto would not have enough performers. Do you really think there is enough talent in Canada for originating network programs in more than three or four places?

Mr. COMOR: I think, Mr. Chairman, that it is perfectly true that the economics of the industry are such that there will be centralization, and perhaps should be centralization.

If you are asking me for my personal opinion, I feel very strongly that we should cling to, and develop more, regional programming in Canada, and we have said so in our brief. I, personally, abhor the general levelling-out of people and their character into one homogeneous mass. It seems to me that there are differences which we can communicate to one another, which could be continued.

I was in our branch in Calgary. They were extremely upset that the Canadian Broadcasting Corporation had imported people from Winnipeg to do a program supposedly about the Calgary Stampede. They felt that they knew what the Calgary Stampede was about better than any old Winnipeger. They may be right. I feel that that is true.

I feel also, in this day and age, particularly in television, that we are getting away from studio production as such—taped production—and more and more are going to film. There are locations that are available in Canada; for example there are the oilfields of Alberta, or, the coastline of Newfoundland...

An hon. MEMBER: The squid-jigging ground?

Mr. COMOR: Yes, indeed. There are Halifax and all the Maritime provinces. All the provinces, in fact, have their own particular flavour and particular kind of locale which, in my view, would lend themselves to productions of great interest.

Now, this does not preclude importing from other parts of Canada sufficient performers to supplement those who are there.

I feel, also, that there is a possibility in purely regional or local programming, which never gets on the network, for developing talent which would eventually perhaps emigrate to that den of iniquity, Toronto.

Mr. PRITTIE: I think we are talking about two different things. I noticed that in your brief you mentioned "Don Messer's Jubilee" as an example of the type of program that comes from the Maritimes and is enjoyed throughout Canada. But I was thinking of the dramatic productions and the large-scale musicals. It seems to me that you probably could not originate these from undeveloped centres?

Mr. COMOR: Yes, you are probably right. I am sure that is correct.

Mr. PRITTIE: Now, I did speak to a private broadcaster about ACTRA and your remarks about the CTV network, and his claim is that your rates are such that it would be difficult for the individual member stations, in the smaller places particularly, to pay your rates and produce many programs, but that on a network basis they could certainly afford it.

Mr. COMOR: Well, sir, I can answer that only by saying that they refused to discuss with us the implementation of rates that would make it possible. We were prepared to offer rates that would be extremely low indeed—less than half, in fact, of the network rate—but at the time we were turned down. They have not agreed to come together. We offered to have a scale of rates for each local area based on its coverage so that each station would, in production of local programs, pay a rate that was related to all the other stations in terms of its own area and coverage, which was, as I say, more than 50 per cent lower than the network rate. But they turned us down. They did not want to talk to us. After all, I mean if you are not producing anything, and it is not costing you anything, it is going to be a dent in your bank balance even if you pay only $1.50 more than nothing. This was the response that we got. Therefore, it is not altogether true, nor is it at all fair, to blame our rates, because I do not think anybody can ever accuse of us of not being willing to sit down and listen to reason and say "What is possible" and work out a rate that is possible and payable.

Mr. PRITTIE: Then let me just ask you something about the CTV network. Would most of the people who appeared in "Henry V" on Sunday night be members of ACTRA?

Mr. COMOR: All.

Mr. PRITTIE: All of them; I see. Have you any hope, now that this network has been reorganized as it was last spring, that there will be more of that sort of thing and consequently more employment for your people?

Mr. COMOR: No.

Mr. PRITTIE: Why do you say that?

Mr. COMOR: I think that, unfortunately, because of the way that the network is set up at the moment, the hopes, aspirations, and the plans of the network are not going to be possible. It is all very well and very fine for Mr. Bassett to spend $150,000 on one program. I would have preferred that he had spread that $150,000 and done three separate programs of some new Canadian material. I think it would have made more contribution. That $150,000 production was a gesture, and an easy gesture, although an expensive one. I am not hopeful.

We have negotiated rates with the CTV network which are less than the CBC rates based on coverage, but they are meaningless if there is no production, and it does not seem to me that there is going to be very much production unless

somehow the CTV network is reorganized; unless, somehow, the interchange between the stations—and there are people on this Committee who have a great deal of knowledge about that—is improved. That is why we have made the suggestion that perhaps the cost of transmission and, at the very least, the cost of the microwave network could be shouldered by the government so as to enable the smaller stations to play a greater part in terms of production.

Mr. PRITTIE: I will not pursue that, Mr. Chairman, because I know that other members want to ask questions. If there is time later I will come back to the part of the brief dealing with educational television. I have a question mark beside it. I will leave it just now because I have taken 20 or 25 minutes and other members wish to speak.

Mr. BRAND: Mr. Chairman, I am curious how you could regulate local productions in some of the smaller centres where there is a scarcity of performers. The idea is a good one, I suppose, to increase the amount of production at the local level by local performers. Where are you going to get the performers in some of these areas? How can you regulate it? It would be much easier to regulate in a place like Toronto where you have a lot—

Mr. COMOR: You mean regulation that they should do so much production?

Mr. BRAND: Yes.

Mr. COMOR: We have branches in Vancouver, Edmonton, Regina, Calgary, Winnipeg, Ottawa, Montreal, Halifax, St. John's, Newfoundland and Corner-brook.

Mr. BRAND: How long have you had the one in Winnipeg?

Mr. COMOR: For many, many years; for 20 some years.

Mr. BRAND: Are you sure of that? I worked at the CBC 20 years ago, and we could not even get close to ACTRA. It was not ACTRA at that time, of course.

Mr. COMOR: I believe there was a Winnipeg local.

Mr. BRAND: To be honest with you, we could not even get close to it. You do not have this difficulty in the way of performers now getting into it?

Mr. COMOR: No, no.

Mr. BRAND: We could not get into the union at that time.

Mr. COMOR: At that time they were all autonomous locals. In 1963 we re-organized the association. It became a national association with branches. The policy is that which I gave to Mr. Prittie.

Mr. BRAND: Do you have specific ideas about how you could regulate how much they should produce locally in local productions? Let us say assuming that the transmission facilities were taken over by the CBC to allow the local station a little more money to produce local shows. Do you have percentages? You have them here when you suggest the reduction of the television broadcast day from 4.00 p.m. to 12 midnight. I thought that was rather a startling proposal.

Mr. COMOR: On that particular subject, I understand you are going to speak to Sir Hugh Greene on Thursday. That is what happens in Britain. They seem to have got along all right.

I must say that that was a proposal that was made not in jest but as a last resort. I would rather have that, or nothing, if we are not going to have a broadcast system which is truly Canadian. It seems to me that it is not at the moment.

To answer your original question, I think it largely depends on the station itself and the availability of people. I mean, you cannot have the same regulation for Edmonton that you have for Vancouver. You cannot have the same regulation for Moose Jaw that you might have for Halifax, for example. I think that that is an area in which the Board of Broadcast Governors should be given some leeway in which to set individual targets which are realistic.

As we said in our brief to Mr. Fowler, we would rather that it was said that the Canadian content—and if I may I would like to come back to that word in a moment—should be five per cent, if that is the truth. But do not let us say 55 per cent if it is not truthful. Let it be Canadian—the 55 per cent, or the five per cent.

Mr. BRAND: That is the question which I was coming to next.

Mr. COMOR: Which is what?

Mr. BRAND: About Canadian content and the fact that it really is not. You can have a British film, I believe, and it is considered 50 per cent Canadian, or something.

Mr. COMOR: The first 28 hours in any month—Mr. McLean could tell you about this better than I—is counted as a 100 per cent Canadian. The first 28 hours of Commonwealth broadcasting is counted as 100 per cent Canadian, not 50 per cent. It is only after that that it becomes 50 per cent.

Mr. BRAND: You would like a little realism in—

Mr. COMOR: I think that the Board of Broadcast Governors feels that it should be more realistic now, too. In fact, I cannot understand why we call it "Canadian content" in the first place. It seems to me that what we should be limiting is foreign content. It seems to me to be completely the reverse way of looking at things to talk about Canadian content and say: "We will have 55 per cent of Canadian content..." It seems to be begging the question, or the answer. What we should be doing is saying: "There should be a limit on the foreign content on Canadian screens."

Mr. BRAND: You are suggesting more or less a broadcasting choice for Canada, I take it.

Mr. COMOR: Yes, I think so.

Mr. BRAND: You have made a lot of comparisons here between the Canadian, United States and United Kingdom broadcasting. Do we have a similar situation? In the very compact area of the United Kingdom they have 50 million people and there are 200 million in the United States. We have only 20 million. Would you say that this produces rather a different problem from, what you would get in the United Kingdom?

Mr. COMOR: Of course, it is much easier, particularly in the commercial area, for the commercial companies to make money because they are concentrated and they do not have the enormous line charges and so on. This is one

of the things that we try to deal with in this presentation; and, of course, we do have tremendous problems. I think the British, for example, have tackled commercial television in a better way than we have in Canada.

Mr. BRAND: As a result of that the pirate stations in radio have set up there and they are charging and receiving fantastic fees for commercial broadcasting; for example, $90—and it is still so—for a 30 second spot on radio, which is pretty close to television charges.

Mr. COMOR: I have always felt that in radio the British should have set up a similar commercial channel. It would not have been such a money spinner as it has been in Canada but it would still, I think, have been a very profitable and useful thing to have had private stations.

Mr. BRAND: What you are suggesting in your brief, if I understand it correctly, then, is to have a similar set-up where the CBC would be non-commercial. Is that correct?

Mr. COMOR: No; I do not think that the CBC should be non-commercial. I think that, ideally, that might be a sort of utopian thing to want, but I do not think we will ever get that in this country. I think that the commercial nature of broadcasting in North America might preclude the CBC ever getting some of the things which the large majority of the population want to watch and which the corporation has the facilities to give—football games and hockey games and so on. These it can disseminate to everybody, or almost everybody; unfortunately not to everybody, but to 95 per cent of the population. Without the commercial involvement in hockey, for example, they would not get a hockey game.

Mr. COWAN: Mr. Chairman, may I ask a supplementary question. Are you representing ACTRA here this morning?

Mr. COMOR: Yes, I am.

Mr. COWAN: You referred just now to the vast audiences watching hockey and football. Are those performers members of ACTRA? I am serious about this question; I have been asking it for some years.

Mr. COMOR: Certain of them are, sir. Robert Marvin Hull is a member.

Mr. COWAN: That makes the whole league members.

Mr. COMOR: Gordon Howe is a member. But they are not members for their hockey playing. They are members for selling "Wheaties", or things like that.

Mr. COWAN: They are performing, are they not? They are displaying their talents?

Mr. MATHER: I am sorry I did not catch your answer—

Mr. COMOR: I have not answered the question yet.

Yes, sir; I think, for example, Members of Parliament display their talent in the House, but we do not ask them to join.

Mr. COWAN: They do not put us on networks, though.

Mr. COMOR: That is true; but our jurisdiction covers people performing in certain specified categories, and one of the categories does not happen to be playing right wing on a hockey team.

Mr. COWAN: Do you mean it does not require enough ability?

Mr. COMOR: Pardon?

Mr. COWAN: It does not require enough ability to qualify as an ACTRA member?

Mr. COMOR: I did not say that.

Mr. COWAN: They are entertaining the public.

Mr. COMOR: They are, indeed.

The CHAIRMAN: Mr. Cowan, may I ask you to take up your questioning after the other people who are waiting here—

Mr. COWAN: He mentioned football and hockey just now. That is why I asked a supplementary question.

The CHAIRMAN: Would you like to question the witness later on?

Mr. COWAN: Probably.

Mr. BRAND: Mr. Comor, I get the impression that the CBC makes no real attempt to sell some of its better programming abroad. Is that correct?

Mr. COMOR: That is true.

Mr. BRAND: I know that some of the CBC drama has been very good and some of it has been spectacularly bad; but some of the good material could easily have been sold abroad. Do you think that it would be if we had the CBC actively going out trying to sell such programs as "Wojeck", which I presume you are referring to that in your brief here.

Mr. COMOR: Yes, I am.

You see, Mr. Chairman and Mr. Brand, if, for example, you were really interested in making a sale you would not start off by doing a series of 10, because 10 is an unheard of figure in broadcasting. Who buys 10 of anything? Where can you slot 10? You cannot. You can slot 13; you can slot 26; you can slot 39; you can even slot 30 actually, with nine repeats; but 10 you cannot slot anywhere. Also, you cannot sell 16-millimetre black-and-white film. What you can sell is 35-millimetre colour or perhaps taped colour, but that is not very easy.

There was a good example just recently. A Los Angeles television station put on a movie called "The Manchurian Candidate" as its prime time movie. It is a fine movie, but it is in black and white. They received 1,000 telephone calls saying: "What in blazes are you putting on a black and white movie for when I just paid "X" hundred dollars for a colour set?" Any television salesman will tell you that if you go to the United States with a can of film under your arm and say, "I have something to sell," they will say, "Black and white, or colour?" If you say, "Black and white," you will not even get the celluloid out of the can. They are not interested in looking at it. Therefore, to produce "Wojeck" and "Quentin Durgens" first of all 10 and, secondly, in black and white just shows that there is no attempt at, or no belief in, trying to sell anywhere else.

Mr. BRAND: You recommend realism in the CBC in this regard?

Mr. COMOR: Yes, sir.

Mr. BRAND: Where does the fault lie here? Is it with management, or with the producers, or with the writers? Who would have responsibility for suggesting the manner in which a movie is shot?

Mr. COMOR: I know for a fact that the executive producer of the series would have preferred to have shot it in colour and that the writers would have preferred to have it shot in colour. That is obvious. They would get more money if it was sold elsewhere. The performers would have preferred it to have been shot in colour because if it was sold elsewhere they, too, would have made more money.

Mr. BRAND: So we are back to money again. Is this the limiting factor at the moment—the budget?

Mr. COMOR: Yes, I think that is what it boils down to. It was a management decision, and the management decision I am sure was dictated on a basic policy of, first, "We are not producing to sell elsewhere," and, second, "Even if we were we do not have enough money to do it".

Mr. BRAND: I am curious about your mention of 35-millimetre. I did not realize they used 35-millimetre in television.

Mr. COMOR: All the film you see from the United States is 35-millimetre.

Mr. BRAND: Yes; but what of Canada? Do we have facilities for 35-millimetre?

Mr. COMOR: One big problem in Canada with 35-millimetre colour at the moment is that there are no 35-millimetre colour laboratories for processing. What has to happen is that the celluloid has to be sent to the United States to be processed and then sent back. There is a charge at the border of about—

Mr. PRITTIE: Do not the Canadian National Film Board have these facilities?

Mr. COMOR: They have some, but not sufficient to produce any amount of material. Pathé is now constructing laboratories; Film House in Toronto is now constructing a colour processing laboratory. My belief is that there will not be sufficient facilities until there is some sign that there is going to be a viable film industry—and I am including the feature film industry—in Canada.

I think the passage of Bill No. C-204, which we mentioned, will be one indication that there is going to be a viable film industry in Canada, and at that point there may well be the setting up of film processing laboratories, which would certainly be a saving.

Mr. BRAND: It must be pretty costly to get into 35 millimetre shooting compared to 16, for example?

Mr. COMOR: I would estimate that "Wojeck", which was brought in for under $30,000 an episode in 16 millimetre black and white, would probably have cost something like $50,000 an episode in 35 millimetre colour. However, when you consider that one network sale in the United States is worth, say, $75,000 at the very minimum, you can see why I think it is worth it.

Mr. BRAND: You believe that we have enough writers and actors in Canada to support—

Mr. COMOR: I can only answer that question by telling you that in the last two months there have been five film companies from the United States and Great Britain in Toronto to interview our writers and to get scripts for films to be produced in their countries; and our performers have been leaving the country in droves and are doing quite well, thank you, in those two countries. Almost without exception, all of them say they would come back.

I was in Los Angeles in October and we had a little get-together, and a great many turned up. None of them said that they would not return were there sufficient work to entice them back.

Mr. BRAND: Is it not true that there are some writers who are now writing for United States television from Canada?

Mr. COMOR: There are many.

Mr. BRAND: There are no facilities or opportunities for them in Canada?

Mr. COMOR: That is true.

Mr. BRAND: Are you suggesting this $10 per capita per annum as a separate tax, or are you just using this as a guideline?

Mr. COMOR: Using it for a guideline.

Mr. BRAND: You are not suggesting that we should go back to the idea of licensing television or radio sets?

Mr. COMOR: No, we have not thought of that. We thought it was a guideline for the amount.

Mr. MACDONALD (*Prince*): You said $10—

Mr. BRAND: No; $10 per capita; that is what is recommended in the brief.

Mr. COMOR: As against the other things, which have been $30 or $35 per television home.

Mr. BRAND: This will be the last question I will ask. It seems to me that if we provided the type of facilities which you have suggested and became a little more realistic in our approach to the filming of these episodes, such as having "Wojeck" produced in 35 millimetre colour, I would think there would be an excellent opportunity for selling abroad and this would make much more sense in the long run. Do you think that recommendations along these lines would be most useful indeed so far as the ACTRA members of your union are concerned?

Mr. COMOR: I think as far as broadcasting in Canada is concerned.

Mr. BRAND: Thank you very much.

The CHAIRMAN: Mr. Jamieson, you are next.

Mr. JAMIESON: Thank you, Mr. Chairman.

Mr. Comor, I am going to resist the normal tendency there is for you and me to come to blows over some of the things that you said earlier. I do not think it is part of my responsibility here to argue about matters in which I have a personal and subjective interest, except to say that I was a bit disappointed in your somewhat cynical reaction to "Henry V" and to some of the other things that are

being done. I have to say that I think it is a good deal more than a gesture. However, I will leave it at that.

I would like to continue along the same lines as Mr. Prittie and Mr. Brand.

We have heard a lot about the size of the talent pool in Canada and figures are bandied about a good deal. Some of the ones which you have given us here would seem to suggest, because of the location of some of them and so on, that these may be part-time or occasional performers. I am perfectly well aware that there are a lot of people who could be encouraged and could become professionals but as of this moment, and even projecting it ahead two or three years, is it possible for you to say what might be the total of truly professional talent in all categories that would be necessary for the type of production we are talking about? I do not mean the fringe people, those who make a small amount, but who have other forms of employment, and perhaps, in some instances, have no real interest in a professional career. What is the real hard core of our professional community that you represent, shall we say? Is there any way you can come even close to that?

Mr. COMOR: That is very difficult. In the United States—and excuse me for going there, but I think you will see why I am doing it—as far as I know there are roughly 15,000 to 18,000 members of equivalent groups. Of those people probably 1,000, or perhaps 1,500 earn a living. In Britain, there are about 13,000 members of British Actors Equity, which represents everything. Again the percentage of those earning a living is about 10 per cent.

Mr. JAMIESON: Therefore, by that yardstick we might have about 300 or 400?

Mr. COMOR: We, at this time, the figures here indicate—

Mr. JAMIESON: You have 105 over $10,000.

Mr. COMOR: There were 128 in 1965, and I think it looks like 500 people over $3,000. I would presume they are people who are earning a living.

Mr. JAMIESON: I have drawn a couple of conclusions from this and I would like to ask you whether or not they are right.

First of all, the British figure seems to indicate that even under the best of auspices—if I can paraphrase Gilbert and Sullivan—the actor's lot is not a happy one. In other words, even with what you describe as the better conditions which exist in Britain it is still a fact that only about 10 per cent of those who choose the thespian route come out on top in any sense that could be classed as being successful?

Mr. COMOR: That is true; because if we encourage this field in Canada to the extent that there would be much more work—say, triple the amount of work—we might triple the amount of members but the percentage of people who would be fully occupied would be roughly the same.

Mr. JAMIESON: I am not in any way suggesting that this is not a worthwhile exercise, and I think you know my record in the encouragement of talent, but the fact is that broadcasting by itself is only one element that has to be encouraged if the aspect of our creative community that you represent is going to have a really decent opportunity.

Mr. COMOR: I think you are absolutely right, Mr. Jamieson. I think that very sincerely, and it is an answer to the question by Mr. Brand when he was talking about regional broadcasting.

Take, for instance, Winnipeg where there is the Manitoba Theatre Centre. It seems to me that an inter-relationship between the fields of activity is possible in the regions to create an active community so that there is an inter-dependance between the various media, which would enable us to support a professional community of writers and performers.

Mr. JAMIESON: The second conclusion that seems to me to be very apparent is that if we take the outside figure perhaps of 400 who are really first-class in the same category, if not with the same experience, as, say, Jewison, and some of the other who have gone to the United States, and forgetting that we would have to develop others, how well could that hard core sustain first-class, network-calibre production as of now? In other words, if by some magic it were possible to say: "OK, ACTRA, you can have as much work for your people as you want, provided that you reach the number one, first-class standard"—which I think you would agree is necessary—how much could we do?

Mr. COMOR: That is a hypothetical question.

Mr. JAMIESON: I appreciate that.

Mr. COMOR: I have always learned—

Mr. JAMIESON: Some of the proposals, I suggest, are also equally hypothetical.

Mr. COMOR: I was going to say that I have noticed people always say: "That is a hypothetical question, so I will not answer it." However, not being a Member of Parliament, I will answer that hypothetical question.

I would say that we could possibly double the amount of work with the present talent. But what would happen is that doubling the amount of work would attract more people. Therefore, it is not a question that can be answered, as such. If you give them more work, more people will come. They will come from Britain. In 1954, when we started television, there was an influx of people. A great many of them have left, but there was an enormous influx which gave rise to the late Jerry Saracini's saying: "Oh to be in England now that England's here."

Mr. JAMIESON: Yes.

Mr. COMOR: That probably would happen again, and I think it would include the United States, too. They would come here if the opportunity presented itself.

Mr. JAMIESON: Is there not rather a contradiction in terms here—and I am not saying this in any sense argumentatively? We talk about the necessity of developing our own Canadian creative community, whereas in point of fact you are quite right, that when the CBC began to expand its production the know-how was not here and the vacuum was filled by people coming in from outside.

We are Members of Parliament, and I am not suggesting for a moment that we are narrow in the sense of thinking strictly in Canadian terms, and I appreciate that we should get talent from wherever we can, but our essential

responsibility is to those people who are here now. What seems to me to be at least a possibility—and I have seen a good deal of evidence of this since the film bill has come before us—is that the effect of government support, or any other kind of state backing, is to create an opportunity which we are not ready to take. Therefore, we find that producers are in fact coming from the United States or from the U.K.

The underlying conclusion that one reaches is that the way to develop our own people is not so obvious as one would think on looking over the proposals initially.

Mr. COMOR: Except that I would like to say, through you, Mr. Chairman that, in my opinion, what happens when you are developing anything is that there will be an infusion from elsewhere of experience, talent and so on; but that creates a climate which encourages people here to go into it and to devote their time to it.

If I may be impertinent enough to suggest it, your responsibility is not just to people who are here now, but to the people who will be born and will be here later.

Mr. JAMIESON: This is a different question. I am merely saying that there seems to be a timetable here, and I would like to see as much Canadian production as possible as quickly as possible.

The point is that if we throw $10 million of film money into the hopper and say that we are going to increase the amount of dollars available for Canadian production, or content, or whatever one wants to call it—and whether it is private or public, again, does not matter—with only 300 or 400 highly skilled professionals in the field this will create, in a sense, a time lag and we will be producing a good deal of material with a good deal of outside help.

Mr. COMOR: Except that there is the point that amongst those people who have left there are Canadians who perhaps have had a great deal of experience but who, because of lack of opportunity, have gone away, or have resigned themselves to doing something else.

If they are women, perhaps they have devoted their time to bringing up their children. Take my wife, for example, who was at Stratford in England and who has starred in television and so on. She has not done anything for four years, apart from a few radio programs. I am prejudiced about her, obviously, but it seems to me that she is only one of many people who would be given the opportunity; there would be more opportunity for them to—if you like—spread their wings again.

Mr. JAMIESON: I do not dispute this at all. It is perfectly obvious if you are going to produce twice as many programs, a certain number of extra people are going to get work. I will not say it even concerns me, because it may be the route we have to take; but if it is, I think we should know it and not kid ourselves about what the effects of any action that may be taken will be. All the evidence points in this direction. For instance, you mention certain American companies that are now producing in Canada with Canadian subsidiaries. I know, in the last 10 days, of at least four or five other production agencies in the United States who have also eyed this film proposal, and who are thinking of putting together

all sorts of consortiums, and the like, in order to do this. I repeat, that this may be the thing we should do, so I want to ask you this specific question: Do you have any particular objection—it did not sound to me as if you were particularly enthusiastic about Screen Gems, but maybe I misinterpreted you—to this kind of an alliance, or is it again developing the branch plant mentality which seems to be a little out of favour these days?

Mr. COMOR: I do not have a rooted objection to it, no. I do hope, however, that those independent producers—and we mention this, I think, in our presentation to this Committee and to the Secretary of State—that are here in Canada will be given an opportunity in relationship with those interests from elsewhere to spread their wings and to develop their talents; for instance, the John Ross's and the Budge Crawleys, who, in my view, do not have the opportunities at the moment, and yet, have the know-how, the experience, and the talent.

Mr. JAMIESON: Mr. Comor, there are a number of areas, but I just want to explore one or two others because there are other members who want to ask questions, I am sure..

Mr. PELLETIER: Mr. Chairman, before Mr. Jamieson goes to another question, do you happen to have any figures on the percentage of foreigners, people who came from abroad, at the height of their careers? I know I have definite figures from the French network, and it never reached 20 per cent. Was it ever higher than that on the English side?

Mr. COMOR: I am sure it was not higher than that.

Mr. JAMIESON: In certain categories would you agree it was fairly high; in other words, that the actor group was fairly high.

Mr. COMOR: The point was that they looked more dominant in terms of numbers than they were, simply because they were used more as people were anxious to get people who had already had experience.

Mr. JAMIESON: That is right.

Mr. COMOR: I am one of them.

Mr. JAMIESON: The producer is faced with deadlines, and he is faced with the necessity to do things at a particular level, he would far rather reach out and pick the one man who he knows can fit right into that spot, rather than to try and develop new talent. I think this is another problem that we could explore for many hours.

Mr. COMOR: That is right.

Mr. JAMIESON: I want to say—again I will put it in the form of an observation and ask you if you agree with it—that the CBC's basic function, its mandate, is to provide a Canadian television service; you would agree with that, I think?

Mr. COMOR: Yes.

Mr. JAMIESON: Now, it seems to me that this has always been an area of contention. With regard to the employment of talent, or the engaging of people, Canadians or otherwise, the CBC has said—and I believe they are on the record

as having said this—that the employment of talent is a secondary result of their first responsibility. That they have no particular and special responsibility to employ performers, or writers, or whatever, simply for the sake of giving employment to that creative group. As I understand it, that is the CBC's attitude. I will not ask you if you agree with it, but is that your understanding of their attitude?

Mr. COMOR: I cannot say that it is, no. I think that there is, amongst a great many people in the corporation, an attitude that it is a responsibility to engage and utilize Canadian talent.

Mr. JAMIESON: I would not want to be unfair by suggesting that they do not feel that they have a responsibility. The point I am making is that they say in the first instance: Here is the kind of program schedule that we feel meets our mandate to deliver a Canadian broadcasting service. Now, we can all argue about that schedule; but having established that as their first priority, they then say the result of this is the hiring of a certain number of Canadian artists, and so on; but they do not hire the artist first and then prepare the schedule.

Mr. COMOR: That is true, yes.

Mr. JAMIESON: I think the other point is very much at the root of many of the proposals you have made. I am inclined to think that the effect of the implementation of these would be to change, substantially, the character of the corporation. I am leaving aside the private sector at the moment. For instance, you mention the great advantages that are to be found in the possibility of foreign sales, and we have been hearing a good deal about the idea of producing programming here which has a residual value in the sense that it can be sold in other countries.

Again, I can put on my professional hat here. It seems to me that the result of that exercise—and I have gone through it a few times myself—is to take out of most of those programs an enormous number of the Canadian values, which were their justification in the first place. In other words, that they become kind of artistic eunuchs, if you like, because they have to have this international appeal. Therefore, any direct references, or timely references, in, for example, a program like "Quentin Durgens", would make that program virtually unappealing in other countries, or at least to potential buyers in other countries. Do you see that this is a problem?

Mr. COMOR: Can I just answer that quickly? It seems to me that one of the reasons that "Seaway" failed was that it did, in fact, become that artistic eunuch that you were talking about. One of the reasons that "Wojeck" did not fail, it seems to me, is that it did not make those concessions; that it did relate itself directly to Canadian experience was one of the basic reasons why it was so successful with the Canadian public.

Mr. JAMIESON: With the Canadian public, of course, but what I am talking about is the international sale. I know we have made a sale in Britain, where I think there is a justifiable comparison; but I have a feeling, at least, that that particular series will not get far in the United States.

Mr. COMOR: Not in its present form, but had the script been done in another manner, for instance, in 35-millimetre colour, then I think it would—

Mr. JAMIESON: May I illustrate what I mean? When we were highlighting the drug addiction problem in Canada, or some other problem relating to the laws of Canada—which I think was a commendable thing for that particular series to do and perhaps should be done by others—we were then talking about how these matters function in Canada; what the laws relating to them are in Canada. For that reason they were an important social instrument in Canada in many respects. But the highlighting of those, when one takes them to the United States, the first thing that is done when the pilot is screened is for somebody to say: "Well, of course that program would not go here, because that is not the way in which we deal with that".

Now, if I may just continue for one moment. A professional producer would immediately say: "All right, what do you find objectionable?" So, out would come the references to Canadian law, or the inadequacies of our treatment of Indians, or whatever; and in would go a kind of an innocuous porridge to satisfy this international need.

Mr. COMOR: I hope that would not happen; but you may be right that it would.

Mr. JAMIESON: Well, I think it is very important.

Mr. COMOR: I agree with you.

Mr. PRITTIE: I think you are talking about different things here. If you are talking about something that is documentary and it has a message, that is one thing. But if you are talking about purely entertainment film, like a police drama, I do not care whether the locale is Los Angeles, London, Paris, or Montreal, the story interest, presumably, is there. This is what will sell. We watch ones with a Paris locale, and New York.

Mr. JAMIESON: The problem, Mr. Chairman, that I would like to point out is that if the emphasis is on the production of films which have universal appeal, and therefore are, in fact, not particularly Canadian in character, every hour that they occupy on the air—particularly on the Canadian Broadcasting Corporation—may achieve the objective of hiring more Canadian performers. However, in terms of the effectiveness of television, as an instrument of national unity and the like, this then tends to be emasculated; this is the basis of my proposition.

Mr. COMOR: I think Sir Robert Fraser will tell you on Thursday, if you ask him, that programs, such as, "The Avengers" for example, I think is terribly British and it sells and is liked in the United States.

Mr. JAMIESON: Yes, I know, but the other programs in this particular area that we are talking about on the BBC, for instance—with one or two exceptions—"Z Cars" or some of these other programs such as "Coronation Street" have a direct relationship to life in the United Kingdom; whether we happen to like it or whether we do not. The point I am making is that those programs which relate to conditions within the country and which have an importance over and above their entertainment value, almost in direct ratio to their impact locally, go down in terms of their international appeal.

Mr. COMOR: Except that "Z Cars" is extremely popular in Canada, and so was "Dr. Finlay's Case Book".

Mr. JAMIESON: We are talking about Canada again. I think there is a relationship between Canada and Britain which is different from that of Canada and the United States.

Mr. COMOR: But, Mr. Jamieson, how can you say this, when we keep saying that American programming is fine for Canada, that Canada loves it; that our tastes are the same.

Mr. JAMIESON: No, I have not said that at all.

Mr. COMOR: But that is said; therefore why do we need to produce our own—

Mr. JAMIESON: Because in large measure, I would suggest that the American commercial producer has, in fact, a world market in mind when he produces. Surely, this is the big indictment of the American networks; that they are doing so little that is of significance even within their own country, that it tends to be shallow and superficial, and is designed to put a Uganda sound track on it and run it over there and it has exactly the same values or no value.

Mr. COMOR: But a great many of the sales of American programs are jingoistic to the extent that Rudyard Kipling would have been embarrassed.

Mr. JAMIESON: I am perfectly well aware of that. My question here has nothing to do with whether or not we can produce films for international sale; let me make that perfectly clear. What I am asking is whether the CBC, for instance, or even the private network, or any organization that is a licensee in one way or the other of the government of Canada, can engage in this kind of activity without detrimental results to its main purpose which is to program for the Canadian public? In that connection, let me point this out, or ask you some questions about it. Even by, let us say, your own yardsticks of prime time, say, four hours a night, we are talking of 28 hours weekly on the CBC. Of that time, a certain amount clearly must go to public affairs, news, and non-entertainment or non-programming in which you would be deeply involved. So, we are talking about a comparatively small number of hours within any one week, are we not?

Mr. COMOR: Yes.

Mr. JAMIESON: So, that again, if we take the escapist kind of thing which we know has a sale potential in other countries, we are reducing still further those hours that can be turned over to so-called meaningful Canadian programs; is that true?

Mr. COMOR: Not if you replace those so-called meaningless programs from elsewhere with, if you like, equally meaningless programs from Canada.

Mr. JAMIESON: Yes, but even by your own admission, in your own assessment of the situation, 25 per cent of that programming has to be from outside anyway, and one also has to meet this requirement for sports, for football, and hockey, and that kind of thing.

Mr. COMOR: Yes.

Mr. JAMIESON: But the supplementary question, Mr. Comor, is this: Is there some kind of a conflict between your two points of view—and I suggest they really are two points of view—with regard to strengthening regional program-

ming and local programming, and at the same time maintaining a strong network schedule? In other words, is it not a fact that if you truncate the network, say, east of Montreal, and they go local, and then you do the same thing for Calgary west or somewhere or other, and they put on local programming, then is not the hard core of your professional membership in Toronto deprived of time on the national network? Is there not a basic conflict in here?

Mr. COMOR: If the number of hours which are devoted to imported programs are reduced, it seems to me, that there is not a conflict because the hours will be available for both types.

Mr. JAMIESON: By the same token, you are recommending that the day be cut back to 4 o'clock in the afternoon. So, you are shortening up still further even if we eliminate a lot of programs.

Mr. COMOR: Yes.

An hon. MEMBER: You will miss the world series that way, Don.

Mr. COMOR: I am saying that if it is felt that we cannot afford to produce substantial amounts in Canada, then a possible solution will be to reduce the broadcast day, and I agree. But a lot of my members do not agree with the proposition that the day should be reduced from—

Mr. JAMIESON: I think it is an unworkable concept for this reason: You have used the British experience as an analogy in some sense, perhaps, but the truth is, of course, that the Americans are directly across the border and I am sure they are not going to follow your example. So that all day long you would be exposing the whole of the Canadian audience to nothing but American programs; whereas in Britain, if the two networks do not sign on until four o'clock, then there is no television. This, to me, is a completely impractical proposal. I frankly do not know how your own members could agree with this and, as you say, some of them do not like the idea.

Mr. COMOR: No, they do not. And yet, at the same time, it seems to me that if we cut down or reduce the amount of American programming on the Canadian networks, then with respect to those programs that go on before 4 o'clock, a great many people watch American stations anyway.

Mr. JAMIESON: But as a result of the programming that is being done in Canada, the pendulum is swinging back quite substantially, and even in the border cities a good deal of that is Canadian production. It may not be the kind that you like or I like but it is, in point of fact, employing some of your members and a good deal of work comes out of those daytime hours. In fact, the very argument that you are using that the prime time hours are primarily American indicates that if your people are interested in getting $4 million worth of work they are getting it some place, and that has to be in the daytime hours, or a good deal of it is in the daytime hours.

I want to ask just one or two more questions, Mr. Chairman, with your indulgence. Have you any way of estimating what ACTRA members would earn in total from the production of filmed commercials and/or other types of commercials?

Mr. COMOR: Yes; in 1965 the total earnings of our members—and this includes people who are qualified for membership—was $6,160,273. Of that more than $2 million was from the production of commercials.

Mr. JAMIESON: So that by the process of elimination again there was over $2 million in commercial income paid for by advertisers. That is one-third of the total income of your members. Presumably there were certain moneys made out of films and various other things to which you have alluded, so that out of a budget of $140 million, or whatever it is, that the CBC actually spends, and the $100 million it gets from the parliament of Canada, what was the amount that the CBC paid? It could not have been more than $2 million or $3 million at the outside, could it?

Mr. COMOR: It was just over $3 million.

Mr. JAMIESON: Just over $3 million. Thank you, Mr. Chairman.

(*Translation*)

Mr. PELLETIER: Mr. Chairman, I think the witness is willing to listen to the questions in French and answer in English. This suits me very well. I would like first, to ask a question about the quality of production. We have heard here long considerations about the fact that it is supposed to be important to define what quality is. We have been told many times: "a programme that might appear to be of high quality to you might not appear so to me." I read the following text:

(*English*)

Private radio, on the other hand, is on the whole abysmal.

(*Translation*)

How do you judge quality? What are your criteria? Do you think it is possible to have universal criteria that would apply to quality evaluation of a radio or television programme?

(*English*)

Mr. COMOR: I suppose there are some people, Mr. Chairman, who feel that Rembrandt was not very good, or painted badly. There may have been people in Rembrandt's time who thought so. There are people who believe that Harold Town paints high quality pictures; others have a different view. I honestly do not see how hard and fast rules can be made. At the same time I think there are certain guidelines by which a majority of the people, or even 100 per cent of the people can agree, that certain things are of bad quality. I think that is easier to do than it is to say what is of high quality.

When I talk about high quality I mean that care and professionalism have been lavished upon it. It does not necessarily mean that a great deal of money has been lavished on it, or that ACTRA members have been employed—that is, in broadcasting. I think that one should not confuse what we mean when we talk about quality with content. I think you can have a very high quality pornographic movie—the majority of them are of low quality—but you could have; it is conceivable that a very high quality movie could be made of that particular subject. It seems to me the trouble is that most people do confuse, in fact, this difference between content and quality. They say that a play by Shakespeare is high quality, however it is done, and a panel show is low quality, however it is

done. Now, I do not agree with that. I think that a Shakespeare play of excruciatingly low quality can be produced, and a panel show of extremely high quality can be produced. But to give a hard and fast rule that everybody can look at say: "This is high quality, and this is low quality", I think is an impossibility.

Mr. PELLETIER: Do you favour any regulation that would in some way make it compulsory for producers to have some professional talent employed on a production? Do you think this is possible?

Mr. COMOR: On all kinds of productions?

Mr. PELLETIER: I mean the general idea of a criteria used by the BBG, let us say, that this or that percentage of the income of a station should be spent on production?

Mr. COMOR: That, I think, would be a very good idea.

Mr. PELLETIER: It has been suggested to this Committee by the president of the private broadcasters, I believe, that the present definition of Canadian content was wrong on one point that I want to check with you. He said that a man employed by a station as a disc jockey, for instance, should count for Canadian content if he plays American hit parade tunes.

Mr. COMOR: I think that this is probably justified. This whole subject gets terribly distorted, because on one side of the question, to take it to its extreme, some people will say that only 2 to 4 per cent of radio programming is Canadian, because they look only at the records which are played; whereas at the other extreme they say 90 per cent is Canadian because they are looking only at the man who is announcing the records. I think that one has to say, because these people are Canadian and there is an attraction in having a particular Canadian personality appearing on a radio station that that is a Canadian program. But I think also that a little more attention should be paid to the fact that the content of the program that this man is announcing is 100 per cent, or 98 per cent or 96 per cent imported.

I do not disagree with Mr. Pouliot that if that is how it is going to be worked the staff of a station should be counted as Canadian talent or count towards Canadian content.

All we have said is that when they originally applied for their licences that is not what they said. They excluded those people and we used their ground rules in making our criticisms. But if you are going to use the new ground rules, which are that those staff people are Canadian talent and that counts, then I think that our suggestion for analysis of the whole program becomes much more valid; because it seems to me then that you do not allow a complete distortion of the intent of the Canadian content regulation by the use of these devious means, and I think they are devious. It seems to me personally and I think to the association as a whole that if there is going to be such a thing as a Canadian content regulation—and we understand that there should be—then it should, perhaps have individual application for each individual station according to its capacities and capabilities and be related to the entire program mix. Then the question which you put to me which is a valid one would not arise, because it would be dealt with; because you would say, all right, you have so much content

for the actual personnel announcing, but the things which they are announcing should have a content which is Canadian, of a certain percentage which is viable.

Mr. JAMIESON: I have a supplementary, Mr. Chairman. You mention in your brief your general approval of the CBC radio. Without going into quality or anything of that nature, I would say that there are some very good things on it, in which many of your members participated. I wonder if you have any views on why it seems to fail so totally to attract Canadian listeners? Even by the CBC's own admission and their own tests they are not doing particularly well in terms of attracting audiences. I do not know about the French language broadcasts; I am speaking of the English language. Why, if that is the mix, has it been rejected seemingly rather decisively?

Mr. COMOR: I am not sure that that is altogether true.

Mr. JAMIESON: I am going by every measurement, including the CBC's own. There are areas where they are down to 4 per cent of the audience.

Mr. COMOR: Yes, this is true. However, there are shows that have quarter of a million audiences and half a million audiences, which I think are substantial. They are substantial for radio in this day and age when it may be easier to turn on the television set and slump in front of it and watch it. Just to give you an example, my own program which is on from 9 to 10 o'clock on Saturday nights and competes with the hockey game—which is pretty popular and, knowing the program I often tend to watch the hockey game myself rather than listen to it—has an audience of nearly a quarter of a million people in Canada, and perhaps another hundred and some thousands in the United States, and I think this is a substantial audience for a radio program.

Mr. JAMIESON: If Mr. Pelletier does not mind one more short question; you would, I think, agree that you would find it exceedingly difficult in commercial terms to sell a quarter of a million and to sell it against Saturday night hockey. What I am saying is that this is not a practical kind of mix, if you like, for a station that has to survive commercially.

Mr. COMOR: That is likely to be true. At the same time, it seems to me that radio stations which program down—and I do mean "down"—to the rock and roll level are appealing to a mass audience. They are not interested in a minority audience. I think far too much attention is being paid to the idea that you should always play to a mass audience; that the minority does not count. I think there are substantial groups of people who may be minorities, but who count, and I do not think it matters a damn if the CBC is listened to sometimes by only 4 per cent of the audience. It does not matter, because that 4 per cent may be a substantial audience when taken across the country and, I think, should be catered to.

Mr. COWAN: But the 100 per cent would pay for the program that only 4 per cent want to look at.

Mr. COMOR: Well, sir, our whole tax system is based on the fact that a lot of people pay for a lot of things for other people.

Mr. COWAN: There used to be a licence fee in the radio business; those who wanted to listen to it could listen to it.

Mr. PELLETIER: You suggested a moment ago that perhaps we are attacking the problem from the wrong angle by defining Canadian content, or imposing Canadian content, instead of eliminating foreign programs. But you have to define either Canadian content or foreign programs, so you come back to the same difficulty. Are you satisfied with the present definition, and do you know of any effort to make a better definition than the one we operate on now?

Mr. COMOR: We suggested to the Committee on broadcasting that the definition could be quite simple; that a Canadian program is one produced in Canada by Canadians, and I think that would suffice. There have been so many supplemental regulations that it has distorted the whole thing, and it seems to me that this is quite simple. You do not really need all these supplemental regulations; you just need a simple regulation. If a program is produced in Canada by Canadians, or a majority of Canadians, if you like, then the show is Canadian.

The CHAIRMAN: May I ask, Mr. Pelletier, how you define a Canadian? Would you have been a Canadian when you started to work with broadcasting in Canada within this definition?

Mr. COMOR: Yes, I think so; I would hope so. I think I am.

Mr. JAMIESON: What about a program made in Asia by Canadians. Is that a Canadian program? You have to go on location and you have to do all sorts of things.

Mr. COMOR: Yes. I think there may have to be those supplemental definitions of location shooting.

Mr. JAMIESON: The way the CBC is going around the world these days they could not make 25 per cent if you applied that rule.

The CHAIRMAN: You are speaking not simply of Canadian citizens but landed immigrants? What would you include in the term "Canadian"?

Mr. COMOR: We talk about people "resident in Canada", "domiciled in Canada".

The CHAIRMAN: That is a rather complicated definition.

Mr. COWAN: That would have made Gina Lollobrigida a Canadian when she bought that house in Toronto.

Mr. COMOR: I think if someone is here and paying taxes—municipal, provincial or federal—they assume certain responsibilities and, therefore, I think they have a right to be considered, if you like, Canadian.

The CHAIRMAN: I will return to Mr. Pelletier. I am still not clear on what you consider to be a Canadian.

Mr. PELLETIER: I was very much interested, Mr. Chairman, in the brief's considerations on selling programs. I think it is an angle that has not been mentioned often enough. I would like to inquire about this. It is a well known fact that you have a problem of cost in cinema, for instance, if you cannot show your films outside of your own country, particularly in the case of Canada which is a small country with a small audience. Are you suggesting that the same problem arises in television and that we should strive towards co-productions

between countries; that we could make, in other terms, better programs for television if we shared the cost and the audience with television organizations in other countries?

Mr. COMOR: That is one way, but that way is the one in which I believe the quality could be improved and the net cost could be lessened. We could afford to spend more money, but the return would be greater, and I think the quality would be higher, because, notwithstanding what I said to you before about quality, it often happens that the more money you spend the higher quality you are able to achieve in television.

Mr. PELLETIER: In this fashion, for instance, I suppose we should adapt our definition of Canadian content to co-productions of that kind.

Mr. COMOR: I think so. We mentioned only a series, in the brief but since sending the brief to you, Mr. Chairman, I was able to have conversations with some Canadian film producers on this matter, as I wanted their comments to bring to you. One of them told me that one of the big markets which is open to us—and which, perhaps, would be easier for us to break into with the regulations which we are proposing in terms of freezing some of the export dollars—is in terms of television specials.

For example, at the moment the CBC and the BBC are working jointly on an idea to do a special from Expo, using some British performers as coming in to Expo, and giving a kind of humorous documentary look around Expo. The co-production between the CBC and the BBC has guaranteed the distribution in Britain and Canada. Had there been—I am told by this person—some freezing of dollars in this country it would have been easy for him to have got some of those dollars from the United States as a co-co-production. In other words, there would be some United States money in the production which would have made distribution in the United States almost certain. As it is, they are going to have a job to get network distribution. Syndication is very, very difficult in the United States; one has to go from station to station to station selling syndicated. If you sell it to a network it is much easier, obviously. And a number of these professional independent film producers in Canada have told me the same thing; that there is a market open for specials produced in Canada which would have a distribution possibility in the United States, in Britain and in other parts of the world and could be produced for, say, $80,000 and bring in an income of at least double that, which would make a profit for everybody concerned.

Mr. PELLETIER: I have one last question which is a technical one. What is the status of your union? Is it entirely Canadian, or does it have affiliations outside the country?

Mr. COMOR: We are an entirely autonomous Canadian association. We are affiliated with the International Federation of Actors of which we are a member of the executive committee. We are also—

Mr. JAMIESON: Are you also associated with the UK organization called Equity?

Mr. COMOR: Yes, I will come to the individuals in a moment. We are affiliated with the International Writers Guild which is a group representing writers all over the world—from Russia, the United States—and I am the

international vice-president of that organization. We have individual affiliations with the Writers Guild of America, east and west; with the Writers Guild of Great Britain and the Writers Guild of Australia, so that we recognize one another's cards. If they go down into the United States they are recognized as having equal rights with members of the Writers Guild of America, and similarly when they come here.

We have recognition of cards with British Actors Equity. We have certain affiliations with the Screen Actors Guild in America in terms of recognition of cards for a specific short period of time before members of either organization have to join the other organization. But as far as our internal policies are concerned we are completely autonomously Canadian.

Mr. McCLEAVE: I have a series of questions on one division at the top of page 2 of your brief, Mr. Comor, but before I get into them, perhaps the solution to this 13 or 26 segment series vis-à-vis Wojeck and Quentin Durgens series, is to have a bridge between them; one program entitled, "Quentin Durgens meets Wojeck". The only problem that would present itself would be have some ground rules drawn up so that each of those talkative gentlemen would be assured of equal time. I am just trying to be helpful.

The top paragraph on page 2 of your brief mentions that:

...neither of these factors would result in a net monetary loss...

I would like you to defend that statement or amplify it if you would, Mr. Comor.

Mr. COMOR: Our information is that daytime hours are not necessarily the most profitable hours of the day. It seems to us that the commercial dollar which is spent in Canada would still be spent. I do not believe that there would be a reduction of that commerical dollar in terms of advertising on television. Therefore, there would probably be a greater concentration of Canadian advertising on Canadian television than there is at present. I say this because a proportion—and I am afraid I do not have the figures; it may be as much as 40 per cent—of the advertising seen on Canadian television is produced in the United States. I believe that our national advertisers also have affiliations in Canada. I believe that would reduce, and that there would be a greater concentration of Canadian advertising. The loss of money as against the actual loss of commercial dollar—of which there would probably be some; obviously there would have to be unless one were flooded with commercials every minute of the time—would, I think, be redressed by the fact that the shows that were on in the 8 hours would probably be paid for more fully than they are now.

Mr. McCLEAVE: Would it not actually mean that you would have to raise the advertising rates, because I think that the evenings are as filled with commercial messages as possible by our astute television stations?

Mr. COMOR: That may be so.

Mr. McCLEAVE: The other aspect of this question of net monetary loss is your suggestion elsewhere in the brief for higher Canadian content so that instead of spending x number of dollars to bring in an American show, it is x plus dollars to produce the Canadian show. That is, the American show, whatever its costs, is going to be less to the stations than the production in Canada, superior or inferior as that production in Canada is.

Mr. COMOR: Yes.

Mr. MCCLEAVE: Your statement at the top of page 2 has to be read in this larger context that you and I have explored just now.

Mr. COMOR: Yes, and also in the context of the other things that we have been discussing in terms of the distribution of those programs that would be made, which I think would make a greater profit. Obviously, one makes a profit if there is a network sale of a program. Suppose the commercial revenue is $15,000 and the program costs $5,000; the profit is $10,000, at the moment. That is replaced by a Canadian program which costs $50,000 and still the commercial revenue is $15,000.

Mr. MCCLEAVE: So it is a matter of selling abroad to retrieve the $35,000.

Mr. COMOR: And plus.

Mr. MCCLEAVE: You have made the statement, and I am sure sincerely, that you do not think that Canadian television is being aggressive enough in taking advantage of opportunities to sell abroad. I think you have made that point at the bottom of page 2, and you are quite satisfied about this. I note some press members of the Committee beside me at this particular point. But you are quite satisfied that this is so. Perhaps in our report back to the House of Commons we should make a very strong recommendation in this field. Do you suggest that we do that?

Mr. COMOR: Yes, and I would recommend that you do not take my word for it. I would recommend that you call here some of the salesmen of the CBC and CTV.

Mr. MCCLEAVE: And put some sharp cross-examination to them as to the practices of those two corporations.

Mr. COMOR: That is right, because their experience of what is saleable, I think, is valid. We have tried to take some of that experience into account in the recommendations that we have made.

Mr. MCCLEAVE: Perhaps Mr. Chairman, the Steering Committee could deal with Mr. Comor's suggestion. I personally think it is a sensible one.

Again, my questions are all related to the cash register, not in the field of high arts, Mr. Comor, because my colleagues have explored that. In your examination of the operations of private television in Canada, and for that matter the amounts of money that have to be expended on the public system, is it not a fact that unless no moneys were found from the taxpayer in general or the television viewer in general, the use of Canadian talent is about at its maximum for most, if not all stations? That is, for some stations it is almost impossible to use Canadian talent to a greater degree because these stations are still having difficulties balancing their books.

Mr. COMOR: I do not agree with that at all.

Mr. MCCLEAVE: I am sorry, I do not want to sound a bit smart, but would you believe it in the case of some stations?

Mr. COMOR: I think it is possibly true in the case of some stations, but even then it seems to me that not enough ingenuity is put into the thought and the

idea of presenting Canadian programs. This very point was challenged, I think, at the station in Edmonton. I said, well, suppose, for example, you thought of having somebody just simply telling a story, a Canadian story about Edmonton, or about things going on in Alberta, and have a short story series. It seems to me that the Canadian short stories as read by the late John Drainie demonstrated that there are a lot of Canadian short story writers, and good ones. It seems to me that it is possible on television also to put over this kind of thing in a way that would be attractive to the viewer, yet at the same time not cost very much money.

Mr. McCLEAVE: Mr. Comor, it seems to me that the rules drawn up with regard to Canadian content really have reached the lowest common denominator, they are probably conditioned on what the least viable television stations in the country can stand, and this enables those that do have a good profit picture to enhance their profit picture. Is there not a ground for taking a sliding scale and setting a basic minimum which could be met by the less viable stations but increase it for the stations which have a good profit picture.

Mr. COMOR: Yes. When I was answering Mr. Pelletier, I tried to indicate that. The proposal that we have put forward here—and I have a copy with more details of the monitoring system that we are now examining—would make it possible to really keep a constant check on them.

Could I divert just slightly from that particular subject, Mr. Chairman, or should I come back to that later?

Mr. McCLEAVE: Well, you give the answer and then I will ask you a question to bring out what you want to say.

The CHAIRMAN: I think what Mr. McCleave is referring to is the measure of the Canadian content, not the monitoring of it, whether it should be measured in terms of a station's income revenue rather than in terms of percentage of time.

Mr. McCLEAVE: Yes, that is right, Mr. Chairman.

Mr. COMOR: I agree with you. I think that is possible, and I think it will be possible to keep a good accurate check on whether or not they are keeping up to the percentage that they have been asked, that they had guaranteed to do, or that the Board of Broadcast Governors perhaps had said was their standard.

Mr. McCLEAVE: And if you could encourage the wealthier stations to do this, in turn, they would be feeding their network, which would enhance the Canadian content, so it would have beneficial results for the whole of this Canadian problem.

Mr. COMOR: Yes.

Mr. McCLEAVE: Fine. Thank you very much.

The CHAIRMAN: Mr. Comor, just to follow Mr. McCleave and Mr. Pelletier's point about requiring a proportion of the revenue of a station to be devoted to Canadian content, would you see also a need to require an apportionment of this among the different program periods?

Mr. COMOR: Yes.

The CHAIRMAN: Your contention is that there would have to be a combination of the time and the revenue criteria applied.

Mr. COMOR: The most practical solution, Mr. Chairman, would be if we were to say that a percentage of revenue would be devoted to Canadian production but that certain percentages of your time should be devoted to Canadian programs of this particular type.

The CHAIRMAN: At certain times of the day.

Mr. COMOR: Well, then you might include that certain proportions of certain periods of the day should be Canadian. You may not want to say that at certain periods of the day there should be a particular type of Canadian production; I think you have to leave some freedom to the producer to decide for himself.

The CHAIRMAN: I was just trying to determine what your suggestion is, primarily, for measuring Canadian content.

Mr. COWAN: Mr. Chairman, can this witness explain something that was said to us a couple of weeks ago that when Betty Kennedy appears on Front Page Challenge she is considered Canadian content but when she talks on CFRB she is not. What is the explanation for that ridiculous situation? She is on a salary basis on one and a fee basis on the other.

Mr. COMOR: I do not know that I have ever concurred with the fact that she is Canadian talent in one part of her life and not Canadian in another part. Somebody has said that; I have not said it. I think I tried to make it clear before that I personally do not subscribe to the position that people on staff do not count as Canadian talent. I was trying to say that it was the stations themselves, when they made their submissions, particularly the television stations. You were talking about Radio Station CRFB, I believe.

Mr. COWAN: You may have heard of it.

Mr. COMOR: Yes. I know Miss Kennedy well, and I know the station. But when we were making our submissions on Canadian talent we were using the ground rules laid out by the stations themselves in making their submissions to the Board of Broadcast Governors.

Mr. COWAN: But the point I am trying to make is that it would indicate that Canadian content is lower than it really is, if you do not call people like Betty Kennedy Canadian content?

Mr. COMOR: I think that it does not redress the balance of those things that come from elsewhere and yet are called Canadian, such as the World Series.

Mr. COWAN: Marilyn Bell is in Ottawa today. She married an American. If she is on TV tonight, is that considered Canadian content or American content?

Mr. COMOR: I do not know. It depends on what she is doing.

Mr. COWAN: She is attending the Sports Celebrity Dinner.

Mr. COMOR: I think that would be counted as Canadian.

Mr. COWAN: Although she is an American citizen.

The CHAIRMAN: The important thing is that if it is originating here in Ottawa, that would be considered Canadian content.

Mr. COWAN: Although they might bring her in from Philadelphia.

Mr. JAMIESON: Mr. Chairman, would you permit me to ask Mr. Comor a question?

The CHAIRMAN: Mr. Cowan has the floor, if he wishes to continue the questioning.

Mr. COWAN: Mr. Chairman, I did not have any particular question to ask. I have read the submission. There are one or two things that I am interested in. On page 4 of your submission you repeat ever hopefully but perhaps somewhat longingly of an annual grant of $10 for every man, woman and child in Canada, the minimum sum that will allow the development of the Canadian Broadcasting Corporation, of which we could all be equally proud. We have before us the White Paper that we are supposed to be discussing and on page 15 somebody has written:

> Under the present Broadcasting Act, responsibility is assigned to the Canadian Broadcasting Corporation for the operation of a national broadcasting service. The interpretation of this phrase has been left largely to the Corporation itself, and it has fulfilled its prime responsibility to provide broadcasting services to the Canadian people as a whole in a manner that is altogether praiseworthy.

Do you disagree with the White Paper in that connection, when you write that if they had $10 a head they should be able to produce programs of which we could all be truly proud? The White Paper says that at the present moment it is "altogether praiseworthy".

Mr. COMOR: I can only answer that, Mr. Cowan, with a slight analogy. When my eldest son works hard and gets a B instead of a C in mathematics I think his effort is praiseworthy, but when he tops his class he has done something of which all of us can be truly proud.

Mr. COWAN: If my son got a B in mathematics I would be truly proud, let alone be altogether praiseworthy.

Mr. COMOR: Well, I would be proud of my son but I am saying that we all could be.

Mr. COWAN: You are trying to suggest in your submission that the CBC has flunked.

Mr. COMOR: In some areas, but I want to state quite categorically that I personally have stayed in Canada because of the CBC.

Mr. COWAN: Mr. Comor, in your memorandum dated April 1966 you start off with this:

> The Association of Canadian Television and Radio Artists is an organization, affiliated to the Canadian Labour Congress, representing professional...performers employed in radio, television...across Canada.

I come back. Why do you not include the professional performers in hockey and football that take up so much of the time on the television and radio programs in Canada?

Mr. COMOR: Well, sir, only rarely am I accused to being an empire builder, but I think that it would be empire building of the worst kind to try to include that kind of person. I think that they are talent, indeed, but when you talk about our particular kind of jurisdiction we are talking not about that kind of sports performing talent. The generally accepted measure is of people who sing, dance or who are broadcasters in the generally accepted sense and right for those media.

Mr. COWAN: They are professional performers and you have stated that you are representing professional performers in radio and television.

Mr. BRAND: What about wresting?

Mr. COWAN: My friend, Mr. Jamieson, asked to bring that in because they are better actors than all the others put together.

Mr. COMOR: We have a few of them, sir, who are our members but not for their wrestling capacity. I might say that on occasion it was ocurred to me that hockey players might well choose to be represented by an organization such as ours but we have not made any active attempt to represent them.

Mr. COWAN: I believe if you made approaches you might find a more receptive answer than you had anticipated. On the first page of your submission today you point out in the second paragraph with all due modesty, that you and Mr. Siren are at our disposal and I quote:

to answer any questions on any subject appertaining to broadcasting.

The CHAIRMAN: If I may interject, they may be prepared to answer any questions but I am not prepared to rule them all in order. We are here to discuss the White Paper on Broadcasting.

Mr. COWAN: Not the presentation made to us this morning then?

The CHAIRMAN: In so far as it is relevant to the White Paper, yes.

Mr. COWAN: I am talking about the presentation made this morning.

The CHAIRMAN: You ask the question and let us hope that it is in order.

Mr. COWAN: You are suggesting in this submission made this morning that Canada should buy the transmission facilities of the CTV. You say that you will answer any questions pertaining to broadcasting but you make no mention in your submission of this morning to CATV. Is that because your association recognizes that CATV is an exclusively receiving system and not broadcasting? Is this the reason you make no mention to CATV in your submission about acquiring the transmission facilities of the private station?

Mr. COMOR: I believe that the reason we omitted mention of CATV is that the tendency is toward the proper regulation of that organization. It seems to me that it is proper because CATV is merely a pirate. It transmits programs that it has not produced. It provides a service which I admit is useful and in some instances, praiseworthy. However, they are not broadcasters.

Mr. COWAN: No. I am glad to hear you say that.

Mr. COMOR: They should be regulated, however in the same way that any publisher pirating and transmitting the works of an author would be regulated

in this country. The laws of copyright and the Berne Convention, of which I am glad Canada is a signatory, provide that the author of the work is protected. I believe that regulations are needed not only to protect the authors of programs retransmitted by the Community Antenna Television but we must protect the broadcasters, the writers, the performers, and particularly the producers who put their money into it and transmit it. Somebody should not be allowed to set up an aerial and just pluck it out of the sky and then retransmit it along a cable and charge people.

Mr. COWAN: Your association does not recommend that the government buy the CATV receiving stations in the same manner that you recommend they buy the transmission facilities of the CTV?

Mr. COMOR: No.

Mr. COWAN: Speaking of Canadian content, sir, if you feel so strongly that Canadian viewers should see a certain proportion of Canadian content, would you suggest that when a Canadian reads, say, the *National Geographic* magazine he should be forced to spend fifteen minutes reading *La Presse* to counteract the American influence he would get from reading the *National Geographic* or, say, the *Atlantic Monthly* or can a Canadian read whatever he likes, in your opinion?

Mr. COMOR: I think that a Canadian can read whatever he likes of whatever is made available.

Mr. COWAN: Without being forced to read 45 per cent Canadian material in the course of his reading?

Mr. COMOR: You see, there is a difference. There is a limitation on the amount that can be transmitted by television in broadcasting in terms of wavelength and the airwaves are, if you like, public property.

Mr. COWAN: They certainly are.

Mr. COMOR: They should come under the regulation of a parliament because they protect the property of the public properly. But in terms of publication your analogy is not correct.

Mr. COWAN: I am always glad to be straightened away. I do not know very much about the publishing business. I have only been in it for 40 years. But you correct me; go on.

Mr. COMOR: I am not correcting you, sir, about the publishing business. I am just saying that the analogy, I do not believe, is a correct one. That is my belief. What I am trying to say, if I may, is that there is no limit to how many magazines can be published. There are not a limited number of slots, so that there is a multitude of choices available. The point is that because of the limits of the airwaves, there is not a multitude of choices in broadcasting. I believe that the Canadian content regulations are intended to make sure that that choice is available to include Canadian broadcasting, to protect the Canadian public, if you like, or to give the Canadian public an opportunity to be sure that they do have a choice, the choice that is available to them whether they want to read *Canada Month* or *Atlantic* or *Ramparts*.

Mr. JAMIESON: Your comments are strikingly like those made by *Macleans* magazine when they were looking for action against the *Readers Digest* and *Time*.

Mr. COMOR: Obviously the protection is sought even in that industry. In all industries protection is sought for the Canadian product. I do not know of a Canadian industry in Canada which is not protected by some legislation or other except in broadcasting.

Mr. COWAN: We let *Readers Digest* and *Time* in; obviously they are Canadian publications today.

Mr. Comor, would you advocate then that Canadian publishers be told that 45 per cent of their content must be Canadian written, in order to make certain that there will be Canadian content in the publication that is picked up with a Canadian date line on it? There is no such regulation as that in the publishing trade.

Mr. COMOR: I do not profess to be an expert in publishing or in the field of publishing, and I feel that any comment I might make on that subject would not be valuable.

Mr. COWAN: On page 2 of your brief it is stated:

> Are Canadians just the same as Americans? Do we think alike? Do we laugh and cry at the same things? The answer to all those questions is no.

There is no equivocation about that, of course. I have a brother who was born in Peterborough, Ontario; he is now an American citizen and lives in New York City today. I have another brother who was born in Springfield, Massachusetts; he is now a Canadian citizen and lives in Prince Albert, Saskatchewan today. The Prime Minister of this country has a brother who was born in Canada but who is now an American citizen. Are you stating that we do not laugh and cry at the same things?

Mr. COMOR: We laugh at some of the same things and we cry at some of the same things, but there are some things that we laugh and cry at that they do not laugh and cry at.

Mr. COWAN: I just want to ask you if you could just name one—I will not say two—instance in which you think there would be a difference between the reaction of my brother, Garth, in New York and myself here.

Mr. COMOR: I do not know you, sir, and I do not know your brother, Garth, so I would find it very difficult. I know myself and I know my sister who lives in England. I have lived in Canada for 11 years now and I know that when I go to England to see my sister that we have differences that did not exist when we both lived in England. Now I have become much more, if you like, Canadian oriented and things that I am moved by do not move my sister at all.

Mr. JAMIESON: There is more to laugh at over here, or to cry over, too.

Mr. COWAN: I notice on page 4, of today's submission, Mr. Chairman:

> —which leads us to financing. We reaffirm our belief in the necessity for long-term grants to the CBC.

I will end my questioning with this question. When our Lord taught us to pray:

> Give us this day our daily bread—

do you think that He was giving us the wrong instruction and that He should have asked us to pray for 10 year grants?

The CHAIRMAN: Thank you, Mr. Cowan. I wonder if I might ask Mr. Comor a few questions?

Mr. Comor, could you tell us how the brief has been based. How did you determine the submission that you would make to this Committee?

Mr. COMOR: The Board of Directors of ACTRA and the Executive Committee have discussions on a number of occasions on our policy. They instruct somebody to write a brief which is then presented to them; changes are made and the board approves the presentation. In respect of the presentations we have made here today, I have come with the unanimous support and approval of the Board of Directors of ACTRA, who are elected from all the members across the country.

The CHAIRMAN: Thank you. I notice that Mr. Sherman would like to ask you some questions so I will reserve some of mine until he has had an opportunity to question you.

Mr. SHERMAN: Mr. Comor, I am interested in some of the contentions and assertions contained in your brief on page 2, also, like some of the foregoing questioners on the Committee. I would like to begin with the paragraph in which you define or delineate the two main functions of broadcasting in Canada and to identify those with the need for relating Canada to Canada and for relating Canada to the rest of the world.

I just wonder what you feel about a third function of broadcasting. I do not necessarily agree that these are the two main functions of broadcasting. I would say that they are two of the main functions of broadcasting but I would suggest that it is equally important to relate the rest of the world to Canada. How successful do you think the public and private sectors of the Canadian broadcasting industry have been in relating the rest of the world to Canada?

Mr. COMOR: More successful than they have the other way around, much more successful. I do not disagree with you that that is not a function. I believe, philosophically, however, that the two main functions of broadcasting in Canada are the ones that we have put in our brief. I do not disagree that relating the rest of the world to Canada is not a function of Canadian broadcasting also; neither is entertaining nor all the rest of it. It is just purely for the sake of entertainment.

Mr. SHERMAN: You also ask how many of us know too much about Edmonton, St. John's, Vancouver or, even, Toronto and you ask how much do even those who live in those cities know about them. I am just wondering what sort of relevance and realism this has for Canadian television viewers, newspaper readers and radio listeners? I just wonder how realistic it is even to concern ourselves with questions like that. I cannot really decide for myself what the inference is that I am supposed to draw from that question, or what the implication of that question is. Are you suggesting that there should be much more attention paid in Canadian broadcasting to studies on Edmonton, St. John's and Vancouver and that I am going to sit down in the evening and watch this sort of thing and be much intrigued by it? Is this going to be anything in the way of a steady diet and that sort of thing? Is it suggested that I as a Canadian, who come from none of those cities and am relatively interested in all parts of Canada, am going to want that sort of thing as a diet of television information and entertainment?

Mr. COMOR: I do not think any diet would prescribe one dish to the exclusion of all others and I certainly would not prescribe that one to the exclusion of all others. It seems to me that there are a lot of public affairs programs on the air right now. Too many of them are relating the rest of the world to Canada. Not enough of them are relating to Canada. It seems to me that there is plenty of time that is, perhaps, spent uselessly. I do not think I should give any examples in terms of what is presented when there are things that go on in our own cities of which we are not even aware. I hope I am a fairly wide-awake person but I must say I happened to go down a street which is very near our offices in Toronto; I knocked on a door and found an empty room with nobody in it except one man sitting in a corner. I had never seen anything like that; I did not even know it existed. Just the other day I saw a man knocked over on the street; he just walked off and would not let me take him to the hospital. He was a destitute man. He would not be taken to the hospital—and he was bleeding from his forehead—because he felt that somebody would do something to him if he were taken to the hospital. I think these things happen. I am not saying that we should be made miserable all the time; there are happy things that happen also that, perhaps, we are not aware of. However, these things are going on and, in my view, they are not related to us. There is too much emphasis placed, in my view, on sensationalism for the sake of sensationalism whereas there are some real things which, in my view again, are sensational enough.

Mr. SHERMAN: This type of thing that you are talking about really comes into the area of humanity and man's study of his fellow man, and it did have considerable exploration, examination and exposure on, for instance, "This Hour has Seven Days" and certain other CBC public affairs programs. Also, it has been given some attention in public affairs programming on both networks this season.

Mr. COMOR: My feeling is there is not enough of this sort of thing.

Mr. SHERMAN: You would say that the exercises that have been undertaken in that realm thus far have been all to the good?

Mr. COMOR: Yes.

Mr. SHERMAN: If I may disgress for a moment, how did you personally feel about "This Hour has Seven Days"? Did you feel it was unbalanced? Was it a good exercise?

Mr. COMOR: Yes. I must say that, personally—and you are asking for my personal opinion—I preferred "Close Up" to either "Seven Days" or "Sunday." I do not know where that places me; probably in a very square box.

Mr. SHERMAN: You say that:

> In relating Canada to the rest of the world we have been an abysmal failure.

I am wondering what your basis and authority is for saying such. I sometimes think that we indulge in pedantic nonsense when we worry about relating Canada to the rest of the world. To what extent is Poland related to the rest of the world? To what extent is Brazil related to the rest of the world? To what extent is Mexico related to the rest of the world? We are a relatively small

country. How serious do you think it is and to what extent have you found documentation and authority for saying that we have been an abysmal failure in this respect?

Mr. COMOR: The documentation comes from that fact that you have only to go to the United States or to Great Britain and ask people what they know about Canada; they know nothing about Canada at all. You need only to go a few hundred miles from here and ask anybody what Expo is and they will look at you with a blank face. They will not know what Expo is.

Mr. SHERMAN: Do you lay this shortcoming at the door of Canadian broadcasting?

Mr. COMOR: Yes. I agree that we are a small country but we are a country which pretends in the international sphere of events to exert influence and, in fact, I believe we do have an influence. Yet, we do not attempt to propagandize, if you like. If we did perhaps our influence would have even more effect. I think we have something to offer. If I did not think that we had anything to offer I would not be sitting here. I think that we have something that is special. That is why I choose to live here and bring up my children here.

Mr. SHERMAN: I agree with the philosophy but I think you may be laying too much of the blame at the doorstep of Canadian broadcasting. I have not had this experience in the limited number of countries that I have been fortunate enough to visit briefly. I have not found that we have been an abysmal failure in relating ourselves to the rest of the world. I think that we have related ourselves to the rest of the world through many media: our armed forces, the United Nations, our politicians. Perhaps broadcasting should not be taken all that seriously. Perhaps there should be the occasional bit of fun to broadcasting, too. Perhaps it is the responsibility of some of us in this room in our jobs to relate Canada to the rest of the world; perhaps it is not just the job of broadcasting.

Mr. COMOR: I think you are right. I would not disagree with that. Obviously I take myself far too seriously. I think that is quite evident and I am aware of it but it is one of those things that one does when one gets terribly involved in something.

Mr. SHERMAN: I am afraid that we probably all suffer from that, sir.

You said that in discussing this situation with the brief executives of the American networks with respect to the amount of money that the CBC and the CTV have invested in the purchase of American television programs, you have found that they—and I quote:

> —have expressed astonishment that the individuals responsible for the purchase of American programs for Canada do not use an elementary bargaining technique.

I find that an astonishing assertion, Mr. Comor. Why would American broadcasting executives express astonishment whatever the motives of the Canadian program purchasers were? I find it surprising that the American executives should express astonishment or care one way or the other. I also find it astonishing that you have inferred from their position that they feel that this is an elementary bargaining technique. What does it matter to them whether or not Canadian networks work out a reciprocal deal? They are interested in selling

their programs. Could you give me an example of this expression of astonishment?

Mr. COMOR: No. It has occurred during conversations with me personally. Mr. Sam Diggs, the Executive Vice-President of Administration of CBS films and as such, in charge of all sales and purchases of films for the CBS network, made this statement to me during a conversation with me.

Mr. JAMIESON: I am not quite clear on this. What did he think we were not doing?

Mr. COMOR: In saying, "Look here, we are spending X million dollars with you in the United States. We will continue to spend the X million but you help us by purchasing so much with us." He could not understand why the government had not made some regulation, as they have in Britain, in terms of freezing money in the country and saying that that money must be reinvested in Canadian broadcasting and using that money—

Mr. JAMIESON: Excuse me, may I, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. JAMIESON: You say here that we have overlooked a fundamental bargaining technique. That is a little different than saying the government should freeze the money. What have we overlooked in the bargaining technique?

Mr. SHERMAN: What is the fundamental bargaining technique?

Mr. COMOR: Well, you say: "We will spend this money with you but you come here and spend some with us. Say you will spend a million with us and we will buy $9 million from you". Any people around here who are businessmen in other fields will know that there is often a tit for that arrangement in this way, but it has never been done in broadcasting.

Mr. JAMIESON: Where does the $20 million figure come from? Is this a blue stock figure or do you have some evidence that this is actually what was purchased in the United States?

Mr. COMOR: Yes.

Mr. MACDONALD (*Prince*): Was it not closer to $25 million actually last year?

Mr. JAMIESON: Are you talking about television alone?

Mr. COMOR: Yes.

Mr. MCCLEAVE: Is this a technique that he has met in dealing, say, with the United Kingdom or Australia?

Mr. COMOR: Yes, that is right—not Australia because Australia is in much worse condition than we are. Australia spends $14 million a year in the United States and it is at a much lower price than we pay.

Mr. SHERMAN: I had made a note to ask you about Australia. I had the impression that they do not practice this fundamental bargaining technique.

Mr. COMOR: No, they do not. However, their producers and people are mush more reactionary, and because all the newspapers own the television stations opinions such as those that I am expressing in Canada are not allowed to be expressed in Australia. They do not get aired.

Mr. MACDONALD (*Prince*): We should tell them all our programs.

Mr. JAMIESON: If there are purchases of $20 million in the United States—I do not have the figures right in front of me but I think I can make them available—then the CBC must be spending about $15 million.

Mr. COMOR: I am not sure exactly what the proportion is.

Mr. JAMIESON: I am quite sure that I can speak from the private end of things. My guess is that if private broadcasting is buying more than $4 million or $5 million worth of programs—that is the CTV—in the United States, the other must be the CBC and the CBC in concert with certain other facilities.

The CHAIRMAN: Mr. Jamieson, you will have an opportunity to go further into that in a few days.

Mr. JAMIESON: But I think it is important that it be in the record at this stage because there is a big difference depending on who is spending.

Mr. COMOR: If I may, Mr. Chairman, there is an additional figure that I can add to that but I do not have verification on it. I was told by somebody in the film business, and I have no doubt that this can be verified, that in fact we spend something like $45 million on American movies in theatres and distribution. So, that is an even bigger amount.

The CHAIRMAN: Perhaps we could get back to Mr. Sherman.

Mr. SHERMAN: I find it an interesting discovery that these American executives to whom you talked must have much higher motives than executives in many other industries, if they pointed this out to you. It surprises me that they would care whether or not Canadian networks made a deal like this for themselves.

Mr. COMOR: Mr. Sherman, I do not think you should give the impression that they just came up to me and said that they were astonished.

Mr. SHERMAN: That is the impression I get from the brief.

Mr. COMOR: Obviously I cannot give you the whole history of the conversations and the relationship which led to these things being said and the approaches being made elsewhere and the matter being confirmed. I think you will find that Americans are pretty tough, but they do not look upon being faced with a tough attitude with any kind of resentment.

Mr. PRITTIE: Is it not a point that they would have been faced with this in other countries, France or Italy, for example, and would have had to deal with it?

Mr. COMOR: Yes, that is true, and Mexico made a law about it.

Mr. SHERMAN: In considering your brief I considered it as a whole, and the inference that I took from that paragraph rather struck me as being a weakness in the brief, that is all, but I may have taken it out of context and may be putting more emphasis on it than you intended.

One of the legislative solutions which you discuss in your brief, Mr. Comor, has to do with the establishment of a Canadian film industry, and this relates to a question which Mr. Cowan has already asked you about the 55 per cent content

rule and how far that should be extended into other communications fields in Canada. In the event that a successful Canadian feature film industry is mounted over the course of the next decade, to what extent do you think the content regulations, as enforced in broadcasting, should apply in a field like that? Would you envision a film industry that had this content requirement? Would you envision an embargo against American motion pictures in this country, once we have mounted a film industry of our own?

Mr. COMOR: With that proviso, that once there is something that one can call a viable film industry, then I think you will find the Canadian film industry talking about quotas.

Mr. SHERMAN: Talking about quotas?

Mr. COMOR: Yes, as they are utilized in other countries to protect the native industry.

Mr. JAMIESON: Is there a quota in the United States?

Mr. COMOR: No.

Mr. PRITTIE: There are no exceptions?

Mr. COMOR: That is the only one where there is not, as far as I know.

Mr. JAMIESON: I was thinking if we were trying to sell to the United States what would the possible effects be of our putting on an embargo or quota?

Mr. COMOR: It has not had the effect of damaging sales in the United Kingdom. In fact, it has been the reverse.

Mr. SHERMAN: How far do we have to go in the establishment of this feature film industry before you would feel it was safe to introduce—

Mr. COMOR: That is really a hypothetical question.

The CHAIRMAN: Mr. Sherman, I am sorry, but I think we are straying from the White Paper on Broadcasting. Mr. Comor's reference to the film industry has been as a subsidiary part of broadcasting. I hesitate to interrupt you, but I think perhaps we are now straying pretty far from the White Paper.

Mr. SHERMAN: All right, Mr. Chairman, I will return to the White Paper.

Mr. COWAN: Does our Committee not deal with this?

The CHAIRMAN: Not at the moment. We are considering the White Paper on Broadcasting.

Mr. COWAN: I am sorry, we shed our responsibilities from day to day.

Mr. SHERMAN: Back to the White Paper and another peripheral question related to the one asked by Mr. Cowan. He introduced the subject of CATV and cable television, which is something I wanted to ask you about, sir. Where do you stand on cable television and where do you stand on the practice of discrimination by geography, which currently exists in the CATV and cable television operations in this country?

Mr. COMOR: Are you accusing CATV of discriminating against certain people?

Mr. SHERMAN: I am not accusing CATV of it, but under the Department of Transport and the broadcasting regulations we practice discrimination by geography. We say that the minds of Vancouverites and Montrealers and Torontonians are not sullied by American programs, but the minds of Edmontonians, Calgarians, Winnipegers and Ottawans will be sullied by American programs and therefore, just because we do not live close to the border, we cannot have cable TV. Where does ACTRA stand on this question?

Mr. COMOR: I think that if there are much wider regulations concerning the production of Canadian programming on the stations that are presently operating, then we would not be against the quatation of CATV provided the producers in this country and the producers of the material used were protected in terms of copyright, which is something I was talking about before. However, I have not really made such a study of this subject that I could give you something which you could grab hold of, and therefore I do not think I had better go into that very much further. I do not think we would be afraid if there were more production in this country. Believe me, I am not afraid of being challenged by American shows. I have great confidence in Canadian production and Canadian ability, but the point is that until there is such, then I do not see anything else but to limit the importation of American programs in some way or other. When there is a possibility that Canadians may have the choice of seeing Canadian programs, then by all means let the American programs come in. I do not fear the competition.

Mr. SHERMAN: You are not absolutely intransigent on the subject of cable TV and the importation of same by microwave in those areas that do not currently receive it?

Mr. COMOR: No.

Mr. SHERMAN: May I ask you one final question—I realize you want to get to the questioning yourself, Mr. Chairman, with respect to the suggestion and the hypothetical situation where our hours of programming a television broadcast day in Canada would be reduced to the period between 4 p.m. and 12 midnight. I may have missed a question that someone else asked, and I apologize if I am going over the same ground. I can see that sort of thing working in Great Britain and I can see it working in Malaysia, for example, but how do you enforce that type of an exercise in a country like Canada where 75 per cent of our population can pick American programs out of the air just by flicking on a switch? How would that be constructed? Would it not just drive more Canadians to watch more American television?

Mr. COMOR: I should not really respond to a question by asking a question, but I cannot see why there is something holy about a Canadian watching an American program on a Canadian station rather than watching it on an American station. What is the difference? It is still an American program. It has not suddenly achieved some order of respectability or otherwise just because it is on a Canadian station.

Mr. JAMIESON: Surely to goodness there is a big difference, because by watching it on a Canadian station it means that Canadian revenues are going into that service and supporting the whole service. We have learned in this Com-

mittee that a minimum of 75 per cent, I think it is, of the CBC's revenue comes out of American programs, so there is a big difference between a Canadian watching it on the CBC and having it immediately followed by "Sunday" than watching it on the Buffalo station.

Mr. COMOR: I agree. There you have a certain validity of adjacencies, which is obviously a valid point, but that is not true when you are talking about the time when we are not on the air.

Mr. JAMIESON: If you want to ask another question I will answer that one, because it is practical that Mr. Sherman would want to know—and I suspect he does—that advertisers, like anyone else, have a mix in their advertising. They have so much morning, so much afternoon and so much night. The result of this technique unquestionably—and this is an absolute conviction on my part as a professional—would be to syphon off several million dollars in daytime advertising to border stations in the United States. There is no question about this.

Mr. COMOR: I think I should stress the point that this suggestion is a last desperate proposal.

Mr. JAMIESON: I agree with the middle adjective, it is desperate.

Mr. SHERMAN: Mr. Jamieson has put his finger on the commercial aspect of it, but I am talking about it in the abstract and the esoteric aspect, if you like. I just cannot see, when you have this concentration of population that can receive American programs, what good it would do to enforce something like this. You are not going to be able to stop the people along the border from getting American programming, so all you would be doing in terms of the Canadian operation would be putting it at a tremendous disadvantage by giving it 8 hours a day when the competing American stations have 24 hours a day. You cannot stop those American stations, you cannot jam them, you cannot order people to take antenna down off their roofs. I just do not see the practicality or the constructive side of this suggestion.

Mr. COMOR: At the same time, I have never seen the practicality of saying well, just because the Americans are on we must be on. I think that way lies ruin. For instance, if there were two tailors next door to one another and they were both selling suits for $150 and one tailor cuts his price to $100, the other one will cut his price to $100. If this chap cuts his price again and again and again until they are both losing money, what is the use of it? The point we are trying to get across is that it is in this desperate attempt to keep up with the Joneses wherein lies the ruination of Canadian broadcasting. Why try to compete if we cannot compete?

Mr. JAMIESON: We cannot afford not to, Mr. Comor. You probably have a good deal of respect for the station in London, Ontario as being a pretty well run operation, and so on. I refer you to them and even in midsummer they do not go on until the afternoon, but there is a habit pattern of tune-ins of 15 or 20 thousand sets to Cleveland and it makes a tremendous difference to their night time audience that a great many of those sets just simply do not turn back so that they have to match pretty much hour for hour in order to hold their share of the audience. A study has been made on that.

Mr. COMOR: I accept your great experience in that, Mr. Jamieson.

Mr. JAMIESON: This is the problem. Many stations would be delighted if they did not have to go on until later, but the truth is that where there is a competing channel it is a matter of audience and habit patterns and the inability to get a substantial portion of it back.

Mr. SHERMAN: I will say one thing in conclusion, Mr. Comor—and you probably will agree with me—that there are not enough American public affairs programs that are aired in Canada. I do not agree with those who suggest that there is a paucity and a dearth of public affairs programming on American television networks. This is not true. All you have to do is glance at the weekly listings in *Time* magazine, and in an area like the Canadian prairies where American networks are not available it is often a pretty mouth-watering and a pretty frustrating experience when you see the public affairs shows that are being carried on ABC, NBC and CBS which never make it into the Canadian living room. A good many of their best shows are shown at something less than prime time to be sure, but they are still there and they are still available. This is one reason why I opted for cable TV and CATV to bring in some of those public affairs shows, and I think you will agree with me that perhaps the emphasis in our American imports is wrong. Rather than the percentage of imports, it is the type of import that may be somewhat at fault.

Mr. COMOR: I agree with you.

Mr. SHERMAN: Thank you, Mr. Chairman.

The CHAIRMAN: Mr. MacDonald, you are next.

Mr. MACDONALD (*Prince*): I do not want to take very much time because I came late and also I am sure the witness must be getting pretty well worn out after three hours, but I would like to enlarge on two or three matters to which we have been referred. One is more an observation, perhaps, than a question but I would like a little bit of reaction. I think that throughout the course of the various sessions which we have held in trying to determine the future of broadcasting in this country, Mr. Comor, we have been faced with the opposition, almost, of two different concepts of the purpose of broadcasting. One ties in very closely with the idea that broadcasting is basically a business and the other comes very close to saying that broadcasting is some kind of a national service or, to be more specific, some kind of a cultural service, perhaps. We are faced with trying to keep these two things wedded together because that is what we have right now in this country, and caught in the midst of this conflict, of course, are the various performers who seek to become employed in the broadcasting media. Now, do you think, that as this is a dynamic tension and it is always moving one way or the other that it is realistic in this day and age, with the kind of outside competition which is going on, that we should push more towards strengthening the public sector of our broadcasting as a cultural service or should we allow it to be much more of a business?

Mr. COMOR: I view your use of the words "cultural service" in its broadest possible sense and in that context I would say yes, I agree that you should not look upon the public service as being one which is going to make money. I do not think it can make money. What we have tried to do is agree that the private sector must make money but at the same time live up to its responsibilities in terms of also augmenting that cultural service, in the broadest possible sense of

the word. In other words, try to find some ways and means in which one can encourage the private sector to be a business in the sense of a valid business making money. I agree that the same demands should not be placed on the private sector as are placed on the public sector. We should require the public sector of broadcasting to be much more concerned with the whole cultural scope of Canada and less concerned with making money but, of course, running itself in a business-like way. I do not think just because it is not making money it obviates the necessity for being run on business-like terms—efficiently, in other words—because I do not think the corporation has been run efficiently. I think that demonstrably it has not been run efficiently.

The CHAIRMAN: You certainly do not hear of "Sunday"—

Mr. MCCLEAVE: You want to give them more money.

Mr. COMOR: I did not say I wanted to give "Sunday" more money. I want to give Monday, Tuesday, Wednesday, Thursday, Friday, and Saturday more money. I think the answer to your question is Yes. I think we should not be thinking of the public sector as running itself as a business in the sense that a business makes money, but we should be concerned that it is run in a business-like fashion in terms of efficiency. We should try to find ways and means of enabling the private sector to make money, but at the same time make sure that it also lives up to its own responsibilities in augmenting the cultural services.

Mr. MACDONALD (*Prince*): Are your expectations for the private sector not really in conflict with each other; the fact that it be committed to some kind of service in terms of this so-called cultural service, as well as being a business enterprise which must be concerned with getting the largest audience possible, making money and having enough advertisers to pay for all its costs and still have a certain profit.

Mr. COMOR: I do not believe so. It depends on what you mean by making a profit. Obviously everybody likes to make as much money as possible, and if we were to say to the private broadcasters, "Okay, you should try to make as much money as possible," they would only go for the mass audience. They would not be concerned over shows with a limited audience appeal at all. However, I think that the private stations have a service to provide in terms of a local service, in terms of relating a local area to itself, which perhaps a public corporation does not or should not concentrate on. This is the area in which there should be the augmentation of the over-all cultural service of broadcasting in the country, with some attention paid to network production in which all the private stations pool their resources in an endeavour to have something that is on all the stations.

Mr. MACDONALD (*Prince*): The network idea, by and large, failed as far as radio was concerned. We have not as yet had too much success with television in terms of the CTV. While this year perhaps is the best year to date with that kind of an arrangement, certainly the first years with CTV were pretty shaky in themselves. What steps could be taken to ensure that private stations in the network could be a more viable operation and could be more productive in this direction?

Mr. COMOR: You see, at the moment the limit that the private networks are prepared to spend on producing a program in Canada, apart from very, very

occasional things, is the maximum they have to pay to purchase a program elsewhere. This year they are producing "W5", which costs them more. They produced a show on Sunday night—

Mr. JAMIESON: Canadian production is costing 40 per cent more than the total purchases of American programs this year.

Mr. COMOR: Yes. There has been a change this year but that was the general tendency up until then, and even now there is no move towards spending the kind of money that is necessary to make programs that would sell. You see, I keep coming back to this idea of selling because it is obvious that $15,000 to $18,000 is not enough—although I do not think that is the maximum a network sale will bring in Canada and Mr. Jamieson can probably tell you—to produce most of the bigger variety or drama shows, or even public affairs shows, to make a profit.

Mr. JAMIESON: So you have to anticipate a resale on a public affairs show, for instance?

Mr. COMOR: Well, sir, for example, we were talking just now about the American public affairs programs, and I think that "Essay On Women" is perfectly resalable.

Mr. JAMIESON: Is it an essay on Canadian women? I would suggest there is a big difference between producing an essay which is of universal interest and one which zeroes in on a particular set of Canadian problems.

Mr. COMOR: Malcolm Muggeridge of the BBC made a program which is called "American Way Of Sex". I do not know if it has been purchased yet in Canada but it has been shown in the United States and it has been shown in Britain. It dealt with an American problem from a British viewpoint. Mr. Muggeridge was a member of an international television something or other group and they made programs about the revolution in Russia which were sold all over the world as public affairs specials. I see no reason why, for example, if we were to produce a program entitled "How English is Canada?" that it would not sell in the United States or in Britain. I do not see any reason, if we made a public affairs special or numbers of them on Expo or any of the things which are going on in Canada this year, why they would not have an appeal if they were done well and done properly.

I think the co-operation between Britain, United States, Canada and Australia in this field has demonstrated this.

Mr. JAMIESON: It constitutes about 12 programs. In other words, we are talking about the volume problem again as opposed to the odd special.

Mr. SHERMAN: We would be inclined to forget the others and do one on the seal hunts.

Mr. JAMIESON: All right, let us leave that out.

Mr. MACDONALD (*Prince*): I would like to get back to this general problem. You suggest that the CTV network facility itself might be owned by the government or by the public.

Mr. COMOR: Yes.

Mr. MACDONALD (*Prince*): Would this be one way in which we could perhaps allow more financial wherewithal to the private stations to do this kind of thing?

Mr. COMOR: Well, this was the idea.

Mr. MACDONALD (*Prince*): This was the idea behind it?

Mr. COMOR: My feeling was that there was not enough stress, particularly with reference to the second stations, on being producers.

Mr. MACDONALD (*Prince*): Yes.

Mr. COMOR: They are really just transmitters. There is no real difference between them and CATV.

Mr. MACDONALD (*Prince*): This is something with which I agree most wholeheartedly. I am not sure for my money, that it should not go a step farther and I would like a reaction to this. If we are willing to put some hundreds of millions of dollars into the CBC and expect a certain return in terms of production, it may not be enough to allow a private network to develop and maybe we should consider subsidizing it to a degree. I do not mean only making the network facilities available but actually making certain kinds of monetary assistance available to this kind of production.

Mr. PRITTIE: And we could complain in parliament if we did not like your programs.

Mr. MACDONALD (*Prince*): Correct.

Mr. COMOR: I would not be opposed to that. In fact, I think I might be in favour of it.

Mr. COWAN: You would also complain if you did not like the taxes.

The CHAIRMAN: Some of it would find its way into the pockets of your members, that is why.

Mr. COMOR: Mr. Cowan said that you would probably complain about your taxes. I always complain about my taxes. I complain about my taxes now and I shall continue to complain about my taxes whatever they are.

Mr. MACDONALD (*Prince*): Along this same line, I would like to get your reaction to this problem. It is spelled out in the White Paper that in order to prevent any further dependence upon advertising in the CBC and freedom for more Canadian content programs in prime time, or what have you, that the level be held at 25 per cent in terms of advertising. I am not sure just what that means, but it seems to me that the problem might be dealt with in another way, and I have explored this with two or three other witnesses in this Committee, and that is that we might change the rules of the game so that the CBC will only be free to accept advertising for programs of Canadian content. What would your reaction be to that? In other words, the only sponsored programs on the CBC would be programs that had been Canadian-produced and that the American content shows—all the major shows—would go to the second network. This might also be another way of beefing up the second network in terms of it having certain moneys available and it would be free to do its own producing.

Mr. COMOR: Yes. I am sure that CAB would be all in favour of it. I do not know whether it would work. We are not against the importation of the best programming that is available. I think it is part of the proper program mix of the corporation to be able to show some of those best programs. I think, however, it is an abortion of the mandate of the corporation that such terrible programs as "Hogan's Heroes" should be transmitted.

Mr. COWAN: What about "Bonanza"? It has Lorne Greene.

Mr. COMOR: I think "Bonanza" at least has decent values in terms of production. It is not propagating some myth about war, nor is it propagating jingoistic ideas of one specific country.

Mr. PRITTIE: It has ex-Canadian content.

Mr. COMOR: That is terribly overplayed. If you go and see Lorne Greene in Hollywood he cannot be more American, I do not think.

Mr. JAMIESON: He is not one of those who wanted to come back to a Canadian Ponderosa?

Mr. MCCLEAVE: I should not think so. He does not want to come back to a Canadian pay cheque.

Mr. JAMIESON: Mr. Comor, surely that is a totally subjective judgment and you would be the first to agree. In your case you are saying when speaking of the specific show "Hogan's Heroes, reject it, and in the case of "Bonanza", accept it. What if some other person of equal capacities to judge thinks the opposite?

Mr. COMOR: I would want to argue with him.

Mr. JAMIESON: Yes, but somebody is going to have to make those decisions.

The CHAIRMAN: Could we get back to Mr. MacDonald?

Mr. COMOR: I think I said that earlier.

Mr. MACDONALD (*Prince*): One of the disturbing features about the way in which the broadcasting industry has developed, and particularly television, since you mention 1954, is that the amount of production—and I am thinking more in terms of dramatic and stage productions than public affairs—has tended to centralize in Toronto particularly, and I think this has been very detrimental to this whole concept that was discussed earlier in terms of interpreting Canada to Canadians. I remember in the early days of television, and I am thinking specifically of Halifax, there was a reasonable amount of drama produced in Halifax but it has evaporated to nothing as far as I can see, and I can even recall on some occasions similar ventures being tackled by Winnipeg and Vancouver. Now it is pretty well relegated to hymn singing and singsongs.

Mr. JAMIESON: You should not be criticizing that.

Mr. MACDONALD (*Prince*): I have nothing against hymn singing but I think it is a false portrayal of Winnipeg. I have been to Winnipeg and not everybody stands around singing hymns.

Mr. JAMIESON: Now, now; Winnipeg is a fine city.

Mr. MacDONALD (*Prince*): I think there is great value in the different dramatic ventures as they are produced in these centres. Perhaps it is more a criticism of ACTRA than it is of the network, or both, but I am wondering how we can again encourage more production of this kind across the country and not just a kind of Toronto mixture all the time of what the rest of the country is like.

Mr. COMOR: You brought up two places, Halifax and Winnipeg. If I may, I will just give you two anecdotes which I think will give my answer.

A year ago I was visiting our branch in Winnipeg and I went to see the senior officer of the corporation and I said, "I think your own producers are not producing enough". He said, "Well, we are doing enough. We could not do any more. We have not got the facilities to do any more." I said, "Well, let us not talk about studio facilities. What about getting a film unit?" He said, "Oh well, we have not got the personnel". "Well, go and get them. I believe you should be going to budget meetings of the CBC and demanding more money to do this kind of thing". Our branch in Winnipeg has been flooding people with their own little briefs and asking for more production in that area. At one point they had no drama producer of any kind in Winnipeg and eventually, from all this pressure that was brought to bear by our branch, they now have one drama producer and this one drama producer is in charge of the whole prairie region. He wants to produce programs but he has not got anybody to help him. He cannot do it all on his own.

I agree with you, I think there should be more; I think more money should be poured into the regions. I think more money is necessary for the corporation. This is why we are asking for a greater grant than other people have been suggesting.

Just last summer in Halifax—and, as you know, we had negotiated with the corporation for an increase of $850,000 in their expenditures on talent, and this was not just for members of ACTRA, but for writers and performers—the producers there said, "Well, we have got what is known as an ACTRA enrichment fund but nobody knows how to spend it or what to do with it". I said, "Well, do you not have any ideas on how to spend it?" The producer said, "Of course, I want to do some film but they will not give me a film camera or a cameraman so that I can go out and do some things that I think are specifically Maritime, specifically Halifax." I could go on forever on that subject. My view is that not enough stress in this country has been given to regional programming of that kind.

Mr. MacDONALD (*Prince*): Where does the fault lie? Does it lie with the understanding of the members of ACTRA? Does it lie with the regional directors, or is it again getting back to the mismanagement you referred to in the CBC generally?

Mr. COMOR: I think it is very difficult to tear it down. If you ask the CBC they will say there was not enough money. If you ask some other people they will say because of the whole bureaucratic organization of the corporation it gets a whole lot of people who are just sitting there job warming, they do not want to create waves. If you create waves somebody might not like it and you might have to justify why you are warming that job. There is that kind of thing, too.

Also, there has not been, in my view, leadership in the corporation which has been centred on programming and imbuing within the corporation a sense of purpose, which I think it should have. I cannot give you a more specific answer than that.

The CHAIRMAN: You mentioned earlier a small matter of economics. Perhaps there has been some confusion between a film unit out using Maritime background and the kind of programming Mr. MacDonald was talking about of major drama and major productions in the studio. There really is not much difference between the inside of a studio in the Maritimes and the inside of a studio in Toronto, is there?

Mr. COMOR: No, but the whole field, Mr. Chairman, of television broadcasting in particular is going into film and location films.

The CHAIRMAN: But in so far as large studio productions are concerned the economics of the field dictate that these be centralized. It is much easier and cheaper to take the Maritimes to the centralized production centre than it is to take the production centre to the Maritimes.

Mr. COMOR: That is correct.

Mr. MACDONALD (*Prince*): I believe what Mr. Comor means as well is that in 1954 pretty well all CBC drama was confined to live drama in the studio with four or five sets, whereas today it is actually cheaper to do this kind of drama in the regions because then you can use live sets, so to speak. The expenses of the backdrops, and what have you, are no greater.

Mr. COMOR: None of Wojeck was done in the CBC studio; not one little bit of it. It was all done on location.

Mr. JAMIESON: Mr. Comor, if this is so—and I know there is a good deal of validity in the arguments—I would like to know why it is that in the United States both New York and Chicago have virtually collapsed as film production centres and that in fact it is now 99 per cent back in Hollywood. There seems to be even in the United States some kind of a rationale that brings everything to a main production centre.

An hon. MEMBER: They have cleaner smog in California.

Mr. JAMIESON: Well, the facilities are a good part of it. It is not lack of talent in New York.

Mr. COMOR: No, it is not.

Mr. JAMIESON: This is the whole point, and I think you will agree, I do not think there has been a single major series coming out of New York this year. They have found the economics are such that they go to one centre. I wonder if there is a parallel here?

Mr. COMOR: First of all, there is no question that centralizing is economical in terms that one can get one's work processed and get it back, and so on and so forth. All the facilities are there. There is no question all the facilities are in Hollywood. In terms of feature films of course, it is not true that it is now centralizing in Hollywood. That is no longer the case. However, there is not a move in the United States for regional expression as there is in Canada.

Mr. JAMIESON: What you are suggesting is that—I was going to use the word "artificial", and perhaps the American is the artificial and what we are talking about is the real—but the point is that it is strictly economics that govern it in the United States.

Mr. COMOR: It is economics and there is also no demand for it. I have never read of anybody saying, "We in Chicago feel that we have got something to say", but there are people in Winnipeg who are saying, "We in Winnipeg have got something to say". That is the difference between our countries.

An hon. MEMBER: Parochial.

Mr. COMOR: I do not know that it is parochial. I think it is good. I prefer it that way.

Mr. MACDONALD (*Prince*): There is a melting pot theory in this country and perhaps that is one reason why we do express a concern in these various regions for this kind of production.

I have just one more comment I would like to make. I read your very excellent article in the latest edition of "Actor". I only wish that we could append this, Mr. Chairman, to Mr. Comor's brief because I think he stated in, shall I say, very ripe language what is at the crux of our concern here, and that is to develop our broadcasting industry with a national identity or in allowing us to learn what our national identity is. Perhaps if I simply point it out it will remind other members of the committee who I think receive "Actor" to read Mr. Comor's article at the back of this particular edition. But you hit at something here which I think should be said, if it is true, that since the end of World War II, in relation to the total budget of the CBC, that increasingly lesser amounts have been spent on talent for Canadian production. Is that right?

Mr. COMOR: Yes, I think so. I think in proportion to the total budget, that is true.

Mr. MACDONALD (*Prince*): In other words, the budget has grown proportionately but the amount of money spent on live talent has decreased?

Mr. COMOR: That is right.

Mr. MACDONALD (*Prince*): So where, in your estimation, has the rest of the money gone?

Mr. COMOR: Of course with television at least $3 goes to the low-lying costs. In the corporation it may be $4 or $5, because they have such a multitude of offices and officers of various names and titles that I think could be radically reduced with profit.

Mr. MACDONALD (*Prince*): Your opinion is that an inordinate amount of money is spent on administration?

Mr. COMOR: I go along with Mr. Fowler in that, yes. I think far too much money is spent in that area.

Mr. MACDONALD (*Prince*): I have heard it said, in fact, that good programs can be produced in Canada at a great deal less cost outside the CBC than inside the CBC. Has that been your experience?

Mr. COMOR: That is true, although the CBC will not tell you this because they do not include in their costing things that are running costs, which are already paid for, but were they to amortize some of the costs of studios, lights, and so on, then I think it would be true that it is possible for an independent to produce things cheaper than the corporation. In fact, a number of independents have told me that this is true.

Mr. MACDONALD (*Prince*): Thank you.

The CHAIRMAN: Mr. Comor, I had a number of questions but if no other members wish to question you, I do not think there is any purpose in bringing you back this afternoon. As there are only a few minutes left I will confine myself to one or two questions.

Mr. PRITTIE: I have one question, Mr. Chairman, but you go ahead.

The CHAIRMAN: Please go ahead.

Mr. PRITTIE: Well, I almost hesitate because it is a big subject and we were going to deal with educational television separately, but if you have—

The CHAIRMAN: We might invite Mr. Comor back at that time, then.

Mr. PRITTIE: Well, we do not agree that the CBC should undertake this task. As we have tried to indicate, we believe that the corporation has quite enough to do without that. Provincially-organized CTV, with some suitable programming changes between provinces, should be encouraged and fostered with all the resources the country can muster. The proposal in the White Paper is that there should be some publicly-owned transmission facilities for educational television, whether they be the CBC or some other public agency. Did you agree with that or did you feel that the transmission facilities should be owned by the provinces, that is my question.

Mr. COMOR: I feel they should be publicly-owned, yes.

Mr. PRITTIE: I mean federally-owned.

Mr. COMOR: Yes, I agree, but provided for the use of the provinces.

Mr. PRITTIE: Thank you.

The CHAIRMAN: Just for the use of the provinces?

Mr. COMOR: Well I am hopeful—and we are getting into a very big subject when we talk about transmission—that the facilities that will be operated by the federal authorities will be available to all; to the CBC, to the provincial educational television groups and to the private stations.

The CHAIRMAN: You are speaking of the ETV facilities?

Mr. COMOR: I am speaking about transmission facilities being made available to all.

The CHAIRMAN: Well, Mr. Prittie was asking you about educational television facilities and the kind of authority that you envisage in order to supervise ETV. You suggested that it should be a national authority and I think you said that that should make the facilities available to the provinces. I am asking whether you are suggesting that those facilities should be made available only to

the proivnces. In other words, should the provincial government have complete control over the educational television facilities in that province?

Mr. COMOR: This is a very large subject which I hope we will come back to.

The CHAIRMAN: I just wanted to be clear whether or not that was your position in answer to Mr. Prittie's question.

Mr. COMOR: No, no, not carte blanche.

The CHAIRMAN: Well, Mr. Comor, could I come back for a moment to the question of what you mean by Canadian. Your first point in your summary of recommendations is that Canadian broadcasting should be Canadian. We have been through this at some length, but can you briefly define for us what you mean by that?

Mr. COMOR: I think Canadian is utilizing Canadian talent, and I use that in its widest sense. I mean everybody. I am talking about producers, directors, cameramen, stagehands, performers and writers. I mean produced in Canada by those people. There obviously will have to be some regulations to prevent foreign people from coming here and utilizing no Canadian talent of any kind and being able to call that Canadian. I do not think that should be allowed.

The CHAIRMAN: Someone raised the question about Canadians producing outside Canada; is this Canadian?

Mr. COMOR: Yes, I think that could very well be Canadian.

The CHAIRMAN: Then definition of a Canadian person would be a person who is domiciled in Canada?

Mr. COMOR: Yes, whose permanent domicile was in Canada, I think. I know it is a very difficult question, but I would say a person who is a Canadian citizen.

The CHAIRMAN: This is so important to your whole submission that I hope we can find out exactly what you mean by Canadian. So far I gather that it would be a broadcasting product which is produced by Canadians, who are dfined as people who are domiciled permanently in Canada, and which is produced either inside Canada or outside Canada. Is that an adequate definition of Canadian in your estimation?

Mr. COMOR: I do not think it could quite rest on that. We might have to have some supplementaries in terms of what was being done outside Canada.

The CHAIRMAN: It strikes me that it is so important to your whole submission that perhaps you should have some exact definition of what you mean by Canadian. Would you like to think about it and advise us in a day or two?

Mr. COMOR: Yes, may I do that?

The CHAIRMAN: I think it would be very helpful to know exactly how you propose we accomplish this first recommendation; it is so central to your whole submission.

Mr. PRITTIE: I do not see any great mystery there. Beryl Fox went to Vietnam and made a film with a Canadian group.

The CHAIRMAN: It is not a mystery except that when one prepares legislation or regulation I should think you would have to dfine it fairly carefully.

Mr. PRITTIE: You would have to live in Canada. That is it, I guess.

The CHAIRMAN: In your recommendation No. 8 you mention CTV and private stations; you are referring there to television stations being purchased by the government?

Mr. COMOR: Yes.

The CHAIRMAN: You have not included radio stations in that recommendation. Is there any particular reason why the same principle would not apply to private radio stations?

Mr. COMOR: I do not know of any radio station that has ever gone bankrupt in Canada I believe they are all doing very well. I do not believe that they need the financial assistance—

Mr. JAMIESON: Forty of them did not make any money last year.

Mr. COMOR: Who?

Mr. JAMIESON: Forty private radio stations lost money in 1964-1965.

Mr. COMOR: Really?

The CHAIRMAN: Is the purpose of your recommendation No. 8 to bail out the private television stations?

Mr. COMOR: I think to assist them, yes.

The CHAIRMAN: It is not to stimulate Canadian production?

Mr. COMOR: Of course it is; it is to provide the stations with the wherewithal with which to live up to the standards we hope will be set for them.

The CHAIRMAN: But you have not applied this solution to radio, although you say that private radio performance on the whole is abysmal.

Mr. COMOR: Yes, and the reason being that I think that without affecting their profit picture at all it would be possible for the private radio stations, by virtue of the syndication of radio programming, to be able to improve their Canadian content beyond all measure.

Mr. JAMIESON: For the sake of clarity, you did elaborate on that earlier, but what you were talking about mostly I think was the matter of microwave costs.

Mr. COMOR: That is right.

Mr. JAMIESON: I do not know what particular advantage—once the capital outlay has been made and you get your depreciation—there would be in having somebody else take over the basic cost of your transmitter. I can see the continuing cost of microwaves being very serious.

Mr. COMOR: Well, it is mainly microwave, obviously.

Mr. JAMIESON: Of course, the stations do not always do it this way.

Mr. COMOR: No.

Mr. JAMIESON: This is a very difficult area because at the moment there is no agency anywhere that has any control over the setting of microwave rates.

The CHAIRMAN: Then I gather, Mr. Comor, that your recommendation No. 8 is not based on any principle that these facilities should be owned by the public

but rather it is based on the desire to make private television stations economically viable?

Mr. COMOR: Yes, I think it has a residual advantage in that it does place the accent on program producers rather than program transmitters. It will, hopefully, also give some financial relief where it is most needed to enable the regulations, which we hope will be set in terms of Canadian content, to be fulfilled. So, it has a triple edge.

The CHAIRMAN: You do not rate highly any advantage to the public in owning these facilities *per se*?

Mr. COMOR: It sounds nice. I am not sure what it means.

An hon. MEMBER: It is the sound of the cash register.

The CHAIRMAN: Obviously you do not.

Mr. COMOR: Well, I think they do, you know, and I think it places the accent that they do.

The CHAIRMAN: We have heard a lot in these meetings about the mandate of the CBC being inadequate. Everyone tells us that but no one as yet has told us what it should be. Would you like to take a fling at it?

Mr. COMOR: No, because I think it needs a much fuller delineation. I think it needs to be written out in much more detail than simply saying it is to develop Canadian talent or it is to project Canada. I think there has to be more detail involved in it. It is almost a White Paper in itself. It seems to me that this is the mandate of the corporation.

The CHAIRMAN: You see the mandate as being a lengthy statement that is almost in the form of a book?

Mr. COMOR: I think a policy statement, yes; a public policy about what the CBC is or should be. I think it would be very difficult to put it down in points numbered 1 to 4. The points that are there already are all well and good, but a lot of people have made the point that having put those points down it is then left to a lot of other people to interpret it. I would think it needs a much fuller interpretation and I am prepared, if you want me to, to write you to that effect.

The CHAIRMAN: We would be very grateful for your suggestion as to the form of a mandate, because so far we have not had any very specific suggestion about this. If you would like to attempt it I am sure we would be glad to receive it.

Mr. COMOR: I was hoping, Mr. Chairman, that when this Committee made its report that what it said in terms of the CBC would in fact be the outline of a mandate.

The CHAIRMAN: We have heard from others that a mandate could be one sentence if it were the right sentence. We hear from you that it should be a book. It must be somewhere in between.

Mr. COMOR: I did not say a book.

The CHAIRMAN: Well, you said a White Paper, which is a book. So, somewhere in between we have to try to accommodate the people who tell us that it is

now inadequate. We would appreciate some guidance on what it should be as well as what it should not be.

Mr. JAMIESON: He might also tell us, having spelled it out, how he proposes to make it work.

The CHAIRMAN: Well, that is another thing. This Committee will meet again at 9.30 on Thursday morning when Sir Hugh Greene will be here. On the same day we should also hear Sir Robert Fraser. He will be available at the same time, although our first witness will be Sir Hugh Greene.

APPENDIX 14

SUBMISSION OF
COMMUNITY ANTENNA TELEVISION LTD.
CALGARY, ALBERTA
TO THE
PARLIAMENTARY COMMITTEE ON
BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

This submission is a statement of the view of Community Antenna Television Ltd., of Calgary, who wish to thank the Committee for the privilege of being able to submit it.

For the convenience of the Committee, we have summarized the salient features at the beginning of our brief and then followed with a more detailed explanation of pertinent points.

SUMMARY

As a result of a decision, based upon unofficial policy, of the Department of Transport not to allow use of microwave facilities for development of cable television installations in Alberta, we were refused a licence to operate. We believe this ruling is not consistent with a series of precedents in which this service has been authorized by Federal authorities to proceed in other areas of Canada.

Community Antenna Television Ltd. (CATV), in developing a plan that fully recognized the requirements and responsibilities of public service in this field, proceeded into costly and complex studies fully in expectation that its proposal would receive the same treatment as those in other areas of Canada.

There was no evidence then, nor do we believe there is now, that the use of microwave facilities would materially alter the nature of a cable television system in Calgary or the requirements for its installation.

We further believe that there are special requirements in the Calgary area that justify further and separate consideration of CATV's application to commence service:

1. *Introduction of new communications services*

The proposed educational television (ETV) system for the Calgary area will be based wholly, or in part, on the use of a cable system. Costs of this undertaking and its ability to commence service by its target date of September 1967, are greatly dependent on the installations that will be made available by CATV.

2. *Isolation and environment*

Isolation, both through geographic distances and communications, has been an historic problem in Western Canada. Restrictions against the use of microwave and the introduction of cable service artificially deepen this sense of isolation in the Western environment.

3. *Industry and tourism*

The fact that cable television is available to most other areas of Canada and the U.S. makes areas where it is absent (e.g., Calgary and Edmonton) less attractive to employees of potential new industries and also to the tourist who seeks contact with "home"—an important consideration in convincing visitors to stay longer and spend more, and in making the environment an attractive one for new residents.

4. *Service to a special and unique population group*

It is estimated that United States citizens, living and working permanently in Canada, make up 10 per cent of Calgary's population of more than 330,000. The majority are in the medium-high and high-income brackets and are engaged in the petroleum industry. They deserve the same service as other special groups in Canada.

5. *Full utilization of colour TV installations*

The qualities of reception of colour television made possible by cable TV are virtually a prerequisite to its enjoyment and full utilization, particularly in cities such as Calgary where topography often makes it difficult—even impossible—to receive adequate colour reception. Individuals and corporations have invested substantial amounts in colour TV facilities in Calgary and should have the same privileges of excellent reception and program variety made possible in other areas by cable service.

6. *Restraint of free enterprise*

Denial of permission to introduce cable television to Alberta's major cities represents a loss of a substantial industry which would contribute to employment and to the Alberta economy.

7. *Market Readiness*

A more-than-sufficient market exists for the support of Calgary's two television broadcasters; and it is one of the fastest-growing and most affluent markets in Canada. Population figures show clearly why the introduction of CATV would have no detrimental effect on the economics of existing stations:

1954	(Channel 2 licenced)	157,000 population
1960	(Channel 4 licenced)	235,000 population
1966	(Cable TV application)	330,000 population
1976	.....	528,000 forecast population

8. *Undertaking by CATV*

In making its applications for a licence to operate, CATV undertook to meet the spirit of intent in the 1966 While Paper on Braodcasting and also present regulations of the Radio Act, notably:

— Preservation of program integrity;
— Multiple or foreign ownership;
— Quality of signal; and,
— CATV has entered its proposals in the full intent of carrying on the highest standards of public service to the community it serves.

GENERAL SUBMISSION

1. *Who is Community Antenna Television Ltd. of Calgary?*

We are a privately-owned, all Canadian corporation whose members reside in the City of Calgary. Individuals within the corporation have a continuous record of public service and are well known for their active participation in community affairs.

2. *Request for intervention*

Our Corporation has spent upwards of 18 months studying the economics of a CATV system for the City of Calgary. We have provided detailed information on all pertinent aspects, voluntarily and on request, to both the Federal and Provincial Governments. On December 14, 1966, Mr. J. W. Pickersgill, Minister of Transport denied us a licence to operate because of a need to transmit some of the television signals on microwave to reach Calgary. The letter of denial did, however, state the following, and we quote:

> "The general line of argumentation that you have advanced with regard to this subject would, it seems to me, be an appropriate matter for consideration when this legislation is before Parliament for consideration, and I feel sure that, at that time, ample opportunity will be afforded for submissions of briefs or documents relating to policy in this regard. This, it seems to me, is the appropriate form in which to deal with the broad arguments you have advanced."

We would like to draw the Committee's attention to exceedingly important statements made to Parliament by the Hon. J. W. Pickersgill (*Hansard*, July 5, 1966, Page 7188) in reply to a question by Mr. Joseph Macaluso (Hamilton West).

> "Mr. Macaluso: I have another question for the Minister of Transport. Does the government or the Department of Transport intend to continue to issue licences to cable television companies in the light of the CATV report in the white paper on broadcasting tabled in the house yesterday?
>
> "Mr. Pickersgill: It is the intention of the government to continue in exactly the same way as we are now proceeding with CATV licences until such time as parliament amends the legislation, if it chooses to do so, in accordance with the recommendations in the white paper. So, for the time being, and contrary to some reports made yesterday, there will be no change whatsoever."

Our Corporation believes this statement is very relevant to our request to appear before the Committee.

The National Community Antenna Television Association of Canada did not mention many of the points that we cover in this brief because they had no reason to do so. Their intent is in preserving the status quo of their Association and not in pioneering new fields. For example, all of their members are serviced "off-the-air" and have no requirement for microwave. Further, it is possible they would regard the use of microwave as a technical problem for the Department of Transport and, as such, felt that there was no need to mention the subject.

Therefore, we requested of your Chairman that we be allowed to present our own brief covering these very pertinent and apparently local problems of Canadian isolation.

The Association made it abundantly clear that systems do not compete for advertising revenue and are actually an extension of a multiple antenna system. I believe enough is said in this brief of their presentation.

3. *Microwave*

We believe it should be abundantly clear that only a few areas of Canada are being discriminated against by their distance from the Canada/U.S. Border. Indeed, if you were to plot these points on a map, you would be surprised and probably shocked that such a situation could continue to exist. This problem was recognized many years ago in the United States and they therefore licenced microwave for Community Antenna Systems use. If it were a matter of capacity, one could see the Department of Transport's reluctance to extend this use for the purpose of CATV. Such is certainly not the case in Western Canada as, for example, the north/south run from Calgary to the U.S. Border is nowhere near capacity. Had it been, the Alberta Government Telephones would not have provided us with the facility. We would be pleased, if such became necessary in the future, to move off these signal frequencies into a higher range. We are sure all applicants would be agreeable to this being an appendange to a licencing system. We would request that the Committee exercise the democratic prerogative that has always prevailed in a Committee of Parliament and advise the Minister and Parliament that regardless of the length of time the White Paper is being studied in Committee or is debated in Parliament, the inequity of a part of Canada being prevented from enjoying services which all others enjoy should not be continued. It should therefore be treated separately and immediately.

We would further like to conclude that if the Committee still feels that there is some doubt as to the impact of CATV on the local television industry and Canadian content, they read a recent booklet published by the University of Ottawa Press, entitled, "Broadcast Advertising in Canada—Past and Future Growth", with particular emphasis on pages 266 through 272. If we might quote one section, from page 269, paragraph 2:

> "Most urban centres where cable television systems are located are rapidly growing communities. Television viewers arrive by the dozens in larger cities and sometimes by the hundreds, every day. Hence, all that can be said is that the television audiences are expanding, notwithstanding the growth of cable television in Canada, though the rate of growth for particular stations may be somewhat less than it would have been had cable television not come into existence."

To further emphasize this particular point, the FCC in the United States, after exhaustive surveys, has on more than one occasion stated that they could find no specific case of a television station suffering unduly from the advent of CATV. We would like to suggest to the Committee that a government can never assist a corporation which has bad management and, if failures there are, failures there will be.

4. *Who is Presently served by CATV systems?*

Quoting from the Financial Post of recent date, there were approximately 353 CATV systems in Canada as of March 31, 1965, as reported in the Fowler Commission Report on Broadcasting. Numbered amongst these are Victoria, Vancouver, Winnipeg (newly licenced), Toronto, Hamilton, London, Quebec City and Montreal, with the balance being in small cities and towns mainly grouped in the Provinces of British Columbia, Ontario and Quebec. All are in close proximity to the Canada/U.S. Border. Canada's FIFTH and SIXTH largest cities, namely, Calgary and Edmonton, are not contained within the list because of the unofficial regulations of the Department of Transport thus far prohibiting the use of microwave. It is possible to service Calgary by means of land lines, but there is considerable technical difficulty and expense. It is interesting to note that if land lines were utilized, a licence would probably be granted and, further, if a land line extended across to the United States side, no licence would be required. There are a number of unlicenced stations in Canada because their receiving antennæ are on the American side of the Border and, therefore, do not fit within the terms of the Broadcast Act.

5. *Western isolation*

Due to exceedingly long lines of communication, distance from the sea, etc., Western Canada must exert considerable effort in competing in the sale of goods and services with other parts of Canada and the United States. This we have always been prepared to do with little or no cry for Federal assistance, but we would like to suggest to the Committee that we should not be unduly inhibited in our industrious pursuits for success and where local employment can be improved by local industry, it should be assisted rather than hindered. For example, during construction, approximately 200 people would be employed in our industry in Calgary alone and, on completion, between 60 and 100 people would be employed on a continuous basis. Needless to say, there would be an increased sale of colour television sets which would materially add to the well-being of all businesses in our part of the country. In addition, as ours would be a leased system from Alberta Government Telephones, we would pay close to $1.5 million per year for rentals, thus adding to the income of the Province. The system will require the purchase of approximately $5 million worth of new material. If the service were extended to Edmonton, as rightly it should be, this figure would double to approximately $10 million (inclusive of other urban areas). In addition, all cable and electronic equipment is manufactured in Canada.

While it may not appear to be too large to some members of the Committee, an industry of this magnitude in Western Canada is of considerable value and helps to diversify our economy. Further, we are constantly concerned by the sale of Western organizations to other parts of Canada and the United States as it has been proven that absentee management reduces community spirit and community participation. As previously noted, our CATV system will be owned by Westerners and would hope to add materially, in the future as we have in the past, to the well-being of this and other parts of Canada.

6. *Tourism*

As we are remote from the populous areas of Eastern Canada, we in the West will now, and for a considerable time to come, depend for major portion of

our tourist industry upon the Californian and Pacific Northwest sectors of the United States. Our economists indicate that tourism will soon be our "No 3" industry and, with our considerable National Park resources, could conceivably become our "No. 1" industry. We have studied at considerable length the impact that the additional three American networks will have on the American touring public, including their ability to obtain American news daily, and we believe it will add considerably to the growth of the industry. While the Canadian appears able to travel in various parts of the globe, excommunicating himself from news of home, the American, no matter where he goes, prefers to have a sector of U.S.A. close at hand and we believe the additional three networks will influence a longer stay and increased spending on their part. Thus, in addition to providing a number of new jobs, CATV will materially assist in Canada's imbalance of payments position.

7. *Culture*

The West, like most of Canada, has considerable cultural diversity, and, while Calgary is devoid of a large French colony, it has a broad grouping of other nationalities, including a substantial and important American colony. Our Canadian attitude towards democracy has always leaned towards the assistance of ethnic and other groups and we would suggest that CATV service would further that attitude. The White Paper on Broadcasting talks of a third National network of French origin and, while it is doubtful that there would be an extensive requirement for that service in Calgary, we believe that it will assist the national image. However, at the same time, in all fairness to the rights of the individual, equal access should be provided to other forms of television, particularly if remoteness is taken into account and there is no doubt that such geographic isolation exists in Western Canada and more rather than less television should be made available. We might add at this point that we are extremely fond of our American neighbors in Calgary and would rather hope that they would stay permanently in Canada, but if they choose not to, we believe that their lives should be made as pleasant as possible while here and if the provision of three American networks adds to this, then so much the better. It is estimated this group now numbers more than 30,000, or 10 percent of Calgary's population.

8. *Educational television*

Alberta's Provincial Government has proposed the use of a cable system for Educational TV. We believe that all Canadians agree that advancing the education of the immigrant to allow rapid integration and the re-training of Canadians who, for one reason or another, had not been fortunate enough to achieve all of their education, is not only desirable but mandatory to Canada's future well-being. The Board of Broadcast Governors has recommended that in the City of Edmonton, Channel 11 be utilized experimentally for ETV. They did, however, voice concern over the limitations of the VHF (Very High Frequency) channels and as such we presume the experimental use meant, in part, temporary use. The fact that this was the first time a television broadcasting licence had been granted for this purpose indicated a willingness to pioneer and a recgonition of the need to make a start in resolving that problem. It occurs to us that the same positive attitude should prevail in the use of microwave. This breakthrough must take place somewhere and now would seem to be as logical a time as any other to

experiment by allowing utilization of that facility, thus permitting isolated major Western cities to enjoy the privileges that others presently have. In addition, as you will probably hear from other sources, cable systems are almost unlimited in their ability to carry simultaneous signals for conversion by translators at point of contact. They therefore provide a far better method of providing ETV to a populated area. For example, you can simultaneously carry high school education to 20 high schools; elementary education to 50 elementary schools; adult education to a common viewing hall; university education to that facility; and so on, each audience being able to select its own signals without overlap or interference to the other. This, of course, is not possible with the airwaves which are becoming over-cluttered and, until such time as UHF (Ultra High Frequency) is formally utilized, extremely limited in its capacity. Even when UHF is formally in use, it should be allocated to mass viewing, not specific audiences. Proposals for introduction of educatonal television to Calgary now call for a start of service, using cable and other techniques, by September 1967. Introduction of CATV's system before that time would have a significant effect on the reduction of ETV costs. As both the Province and the Federal government are participating in paying for the program, that point is of considerable significance.

9. *Economic impact on existing stations in Calgary*

We believe we proved conclusively to the Minister of Transport, in our briefs, that Calgary's two television stations would not be impeded by the advent of CATV. In fact, we believe that competition in programming will undoubtedly improve the Canadian content of the two networks and the pursuit of more local talent to meet competition. We have an example of this in the West where the Edmonton CBC station is owned entirely by the Government. They have followed an aggressive policy, both in the use of local talent and Canadian content. This policy, we believe, has materially stimulated the privately owned TV station and we believe it operates a superior plant.

While we do not wish to delve into the total economic study that we prepared for the Minister of Transport, we would be pleased to make it available if the Committee so wishes. A few of its salient features were:

In 1954, Channel 2 was licenced in Calgary and the population was 157,000. The estimated rural reach of the station was 40,000, thus giving them a potential population reach of 197,000. On September 12, 1960, when our second channel, Channel 4, was licenced, without opposition, Calgary's population was 235,000; an increase of approximately 50 percent. Assuming no increase in rural reach, i.e., still at 40,000, the shared potential reach of each station was 137,500. This represented a decrease of approximately 60,000 in potential population reach to Channel 2. We would presume that the Board of Broadcast Governors reviewed this very carefully before issuing the second licence and decided that Calgary deserved the additional service and that the stations could financially co-exist if they aggressively pursued their business.

In 1966, when cable television was agreed to by the Alberta Government Telephones and the Minister of Labour and Telephones, representing the Provincial Government, Calgary's population was 330,000, an increase since 1954 of approximately 110 per cent. The local television stations by this time had

increased their potential reach to 300,550 for Channel 2 and to 443,250 for Channel 4, a total of 743,800, by construction of satellite stations.

It is estimated it will take approximately 10 years to reach 50 per cent of the increasing metropolitan Calgary population by cable television. At the end of this 10-year period, Calgary's population is estimated to be 528,000. The division of potential population reach will then be, under the most optimistic conditions for CATV, and assuming no rural population growth, as follows:

Channel 2	267,550
Channel 4	410,250
CATV	264,000

This, of course, presumes that neither station will fill in with new satellites. All of these statistics were derived from the Dominion Bureau of Statistics estimates and from the February 1966 publication of the Bureau of Broadcast Measurement.

In order to determine the actual viewing affect on population reach, a comparative study was made of viewing time in Vancouver which has 226,000 cable subscribers out of a total population of 877,000. The remaining 651,000 received Canadian and American programming "off-the-air". The Board of Broadcast Measurement indicated that a minimum of 12.3 per cent and a maximum of 44 per cent of Vancouver's cable-connected population are viewing American channels. This represents a weekly average, and we have selected a high median in order to evaluate the impact of CATV on the Calgary television stations, of 22 per cent.

The median effect of the local television stations after 10-years of cable service indicated that adjusted population reach for each media station would be as follows:

Channel 2	370,510 *
Channel 4	513,210 *
CATV	50,080 (American)

* NOTE: Many of these would be watching the Canadian networks over cable because of a better picture, etc.

This would indicate that the average person, although strongly desirous of a freedom of choice, will still favour Canadian programming, primarily because of the local program content. This, of course, is not true if the local content is poorly done and will vary throughout Canada. One need only look at the various scheduled local city programs on the networks to see the difference in management attitude. We cannot, nor can the Government, account for that problem.

The statistics, however, do indicate that even with the introduction of a CATV system into a city the size of Calgary and considering the rural reach of the local stations, both Canadian networks will enjoy substantial growth over the next 10-year period.

To further emphasize the non-dilution of television penetration, American statistics indicate an increase in the total number of black-and-white as well as colour television sets sold with the advent of cable television. In areas of rolling topography such as Calgary and with the addition of educational television on

cable, the increase would, obviously, be much greater. As an aside, it is interesting to note that while we prepared our statistics from the data supplied by the Bureau of Broadcast Measurement, the sales maps provided by the local television stations in Calgary indicate a much more optimistic coverage. We would be very pleased to provide these at the request of the Committee.

Well in advance of one of our local stations being sold recently, (the private CTV station—Channel 4—was sold to an Eastern organization) it was announced publicly that the Alberta Government Telephones would lease pole space for the construction of a CATV system. It was interesting to note that the sale was consummated with the full knowledge of this fact and we suggest that the Eastern purchasers were no fools.

Of further interest, one should note that while the population of Calgary has more than doubled, the effective purchasing power of the area, according to the Bureau of Statistics, has more than tripled. Projections to the year 1975, when compared to the year 1956, will show that the purchasing power will have quadrupled. The number of TV sets owned in an area is directly proportional to the economic well-being of the community.

As previously stated, there are more than 353 cable television systems in operation in Canada at the present time, including large metropolitan cities such as Quebec, Montreal, Toronto, Ottawa, Vancouver and Victoria. In these cases, which are analogous from an economic point of view to Calgary, bearing in mind that this is Canada's sixth largest city in total population, the availability of some American stations has always been a factor in the market and yet we understand that the Department of Transport had no great reluctance in licencing cable television systems. In all cases, the cities are served by the two Canadian networks as well.

10. *Viewing quality*

Cable television in Calgary will be a very useful appendage to the television viewer in that we have an extremely rolling terrain, traversed by two deep river valleys, with changes in elevation upwards of 500 feet. A person owning a colour television set under present circumstances experiences reception ranging from good to poor and, in all likelihood, the only way of fully remedying that problem is to provide some means of transmitting signals directly to the user. We are sure that the Committee would feel that this service is something the individual has a right to enjoy. Why should one individual be penalized merely because of the location of his home. True, some people will be able to alleviate their problems by erecting large antennae but, again, why should they be penalized in this when other means are available to them at their own option. Of recent date, in London, England, the Post Master General Edward Short told Parliament his Department plans to use cables which will combine broadcasting links as well as individual wires for telephones. He stated that the "aluminum jungle" would soon disappear and we believe that aesthetics are equally important to Canada and certainly the right of free determination is inherent to our way of life.

Equally apparent in Calgary, as in other parts of Canada, is that advertising is at the saturation point. Programs are constantly interrupted until it seems there are more ads than programs, which indicates that here, as well as elsewhere, local stations are operating close to capacity. There is little, if any, prime

advertising time unsold. Thus, cable television does not appear to have created a particularly serious problem for television operators in Canada as far as the sale of "time" to advertisers is concerned. Rate cards, if anything, have been rising as the provision of television service becomes more costly and the demand for such service increases relative to the supply. While the provision of a CATV service will not provide additional advertising space, it does allow the flexibility of providing free public service time, thus reducing the pressure of local stations to provide that type of assistance, and allowing them to concentrate on the more lucrative paid-for TV.

11. *The White Paper on Broadcasting 1966*

The National Community Antenna Television Association of Canada's brief reviews the White Paper. We do not intend to overlap their submission. It is sufficient to say that there are a number of items in the White Paper which all of us must agree will add to the well-being of Canada. Our organization in Calgary, in applying for a licence to operate, was particularly aware of the White Paper and the problems of overlapping ownership. We agreed with the preservation of the integrity of the program received and carried by the systems, we agree that it should have an adequate degree of Canadian control of corporate licence and we agree that it should avoid what is termed a multiple ownership where control was a factor. Our submission agrees to this being a part of the granting of the licence and we have no conflict and contemplate none with the White Paper in that sphere.

FINALLY

Gentlemen, we appreciate the opportunity of presenting what we consider to be a peculiarity in Canada's development, namely, an electronic isolation which is being aided or abeted by continuing delay. If our Fathers of Confederation agreed to build a railway to end Western isolation, surely one hundred years later we should licence the use of microwave to end a problem of similar nature—isolation north/south.

APPENDIX "15"

SOME OBSERVATIONS ON CANADIAN BROADCASTING AND THE WHITE PAPER 1966

by E. Austin Weir,

Author of The Struggle for National Broadcasting in Canada

Down the years there has been a crying need for some clearer definition of the purposes and responsibilities of the CBC, and in a lesser degree those or private broadcasters. Robert Fowler said "The CBC should have its task clearly defined." The present Prime Minister reiterated that opinion in 1958. Dr. Andrew Stewart, Chairman of the BBG reporting as a member of the Pickersgill Committee said: "Parliament should direct the Corporation and the BBG on the blend of programming expected in the two services (public and private)". The Broadcasting Act of 1958 enjoined the BBG through such generalities as the "continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive service of a high standard that is basically Canadian in content and character". CBC has interpreted its responsibility and the White Paper completely confirms that interpretation, by equally indefinite generalities: "to provide a *complete and balanced* service of information, enlightenment and entertainment for people of different ages, interests and tastes, including a high content of regional, national and international news, factual and interpretative reports and programs devoted to all aspects of the arts, entertainment and sports."

Such generality of programming in CBC schedules is possible, and desirable in *radio*. Without it Canadian radio would be utterly barren of many of its most essential and interesting features. But radio is inexpensive while television is almost prohibitively expensive and daily becoming more so. To attempt in television the same versatility and generalization as in radio is neither practical or necessary. Hence this over generalized concept in its application to television needs some pointed revision unless Parliament is prepared to vote very much greater sums to CBC. Though this could be desirable and advantageous it seems rather unlikely. Certainly in television, where the emphasis has been increasingly on news, actual and pseudo, on so-called public affairs and on sports, the traditional purposes of the Corporation are far from being attained. The concept that because all pay taxes all must have their slices of pie regularly has produced such a diffusion of effort and purpose that far too much of the basic elements of national purpose, rightly or wrongly, have been squeezed out of the schedules.

The Most Contentious area

The real contention regarding CBC teelvision centers around the programming of the 7.00 p.m. to 11.00 p.m. peak evening hours. For at least five years, a period which has marked the most serious decline in standards of content in television programming together with a growing dominance of Hollywood syndicated productions, peak evening hours have been over commercialized and filled with features having very little relevance to what I conceive to be the basic purposes of the CBC. Far be it from me to deplore commercials. They are an inevitable and valuable part of the system. But when they virtually monopolize

the evening hours, and when their nature, on the whole, is basically foreign to preserving and strengthening "the political, social and economic fabric of Canada" declared by the White Paper to be "the most important objective of public policy", then it is time to examine how this came about and why it has persisted.

Since 1962 a typical CBC evening television schedule with relatively few exceptions has shown less than 40 minutes of non-commercial programming daily between 7.30 p.m. and 11.00 p.m. The share devoted to responsible public service has steadily dwindled. Why? In 1957 the Fowler Royal Commission suggested that CBC pursue more vigorous commercial policies. Taking its cue from this, the Parliamentary Committee of 1959 urged that some formula be adopted that would set limits on the annual contribution of the Federal government to the Corporation. "Increased efforts", it said, "should be made to ensure the emergence of "vigorous commercial policies". The Glassco Royal Commission also urged much the same. An in 1965 the Fowler Advisory Committee refused to recognize CBC's specific contentions regarding the effect of commercials and recommended that the 24 per cent of the television market and 4 per cent of the radio market then secured by CBC should be maintained. Indeed it suggested that these percentages might be increased.

How did these instructions from Parliament and these pressures from Royal Commissions and Committees sit with CBC? What was their effect? Fully aware of the situation from cold experience CBC told the Fowler Advisory Committee in February 1965:

> "Even the most attractive and soleable Canadian programming apart from NHL Hockey cannot be sold to national advertisers unless it is offered as part of a USA-Canadian deal. The situation presented on the English network precludes even a modest change in the program balance without the grave risk of jeopardizing most, if not all, our evening sales opportunities and thereby our important commercial revenue.—The evening schedule as a whole has to be saleable if most of its constituent parts are to be sold. To partially unsell the evening schedule might well create a stampede of advertisers away from the remaining programs for lack of ancillary support of a mass character and for lack of inexpensive USA programming to maintain a low cost per thousand on a multiple purchase by an advertiser. It is impossible to exaggerate the degree to which the present commercial preoccupations and responsibilities of CBC television determine the character, quality and balance of CBC programming. Without drastic relief from this situation it is literally impossible to plan a major improvement in the present program service in the evening hours."

Such is the pothole into which CBC television programming has been driven and is stuck. Though this may be changed slightly during 1967 the change is transitory. Does the White Paper suggest any genuine alleviation of this situation? It does not. It makes a backhanded proposal that CBC should maintain its present percentage of the television and radio markets and expressed the hope of the Government that while doing so CBC would be able to improve its programming! If the Government believes this can be done, which I cannot possibly credit, then it is fooling no-one but itself.

How can such an essentially national organization as CBC fulfil its national purposes, indeed, continue at all, when it consistently alienates its peak viewing hours—and does so as the result of the instruction of Parliament—to doing anything but fostering that sense of Canadian identity and unity which is so constantly and all too lightly reiterated as its purpose?

More Indigenous Programming Needed

There is a great paucity of really well planned and meaningful indigenous programming particularly during peak hours and apparently increasing indifference to this need. How else can the sacrifice not long ago for purely commercial advantage of such a program as Across Canada be explained? Designed by one of the most dedicated and resourceful minds in the CBC, it sought to mirror Canada to Canadians nightly from coast to coast. It dug out interesting personalities, events in every region. It avoided the repetitious boredom of Ottawa. It attempted in an unobtrusive way to establish a French-English dialogue and rapport in a manner never attempted before. It was an important creative experiment. It did not always come off but there were flashes of brilliance, a steady flow of intelligent and usually interesting and earthy information about things essentially Canadian. Five days a week it presented a panorama of Canadian life originating in every region from the shores of the Atlantic to the gardens of British Columbia.

But it was very low budgeted, was scheduled at a minimum audience period and appeared only on CBC owned stations. So after two years of dedicated struggle against impossible odds, it was callously dropped because its ratings were inadequate. It was considered that only local programs could get sufficient ratings to sell spots. Thus the already overemphasis in the CBC on local fragmentation was further accentuated.

Because it expresses so well the essence of no inconsiderable part of the existing situation I cannot resist quoting from an article by J. B. Lamb the brilliantly expressive editor of the Orillia Packet and Times:

> "Canadians both French and English speaking are not by any means the neurotic, self-doubting people they are represented to be in our national media. The trouble is that all Canada's so-called 'national media' are in Toronto (and Montreal). They are the mecca of the professional controversialist, the fellow with a perpetual chip on his shoulder. As a result of all this caterwauling, Canada's national media present a distorted image of the nation. Hours of time, pages of space are devoted to the race issue for the edification of people most of whom only see a coloured man when the porter strolls up the platform during the Transcontinental's two minute stop. The call girl is painstakingly examined for a nation of fellows who only know what they see in the Playboy calendar, while the plight of the drug addict is elaborated upon for a nation which gets most of its kicks from Elsie the Cow's brick-of-the-month.
>
> It's time some of the so-called 'national' media came out from behind those briefcases and hornrimmed spectacles and got out to have a look at the country that is Canada.
>
> So long as those fellows are content to hole up in the city and take one another's pulse they cannot expect Canadians to regard them serious-

ly as reflectors of the national image. Its a pretty lively country they write about all right with all those neuroses and complexes and problems but it sure isn't Canada."

CBC Split into Two Groups

There are two distinct schools of thought in the CBC. One is inspired by a virile Canadianism, that the first step in rehabilitation is to reassert idealism in carrying out its mandate. It believes that survival lies in the exploitation and development of new adventures in radio and television. The Corporation must be re-enthused with the possibilities. Without forgetting the essential importance of entertainment the stress must again be placed on the importance of information and education. In proper hands these can be made fascinating. There is a great hunger for this.

The second group is bent on fitting everything into the continental pattern of American commercials. They believe that only by appealing to maximum audiences can the public grants to the Corporation be justified. They would favour sponsorship of news, public affairs, church services or anything else. Top ratings and earnings is their aim. For this they can scarcely be blamed, for this is in keeping with Parliament's instructions which have never been countermanded.

The truth is that in very much of its programming CBC should not make any great effort to compete with private operators. If the CBC never existed Canadians could have a reasonably good though by no means as good a news service. The same holds true of sports. Most viewers could receive the best if not all the present American importations which fill so much of CBC peak schedules. CBC's existence can only be justified by the production of those clearly recognizable national and regional programs reflecting Canada and what it stands for, programs that have not, and with very rare exceptions, cannot be produced for quite obvious reasons by private broadcasters. The drift of CBC to purely local competitive broadcasting should be stopped. The distribution of CBC's meritorious and purposeful national and regional creations should be guaranteed. If CBC is not an instrument of intelligent, sustained and progressive nationalism then there is very little reason for its continuance. Lack of a strong sense of national purpose can have only one result—the prostitution and final demise of the CBC. The dream of creating an instrument of healthy nationalism has been slowly but surely evaporating and is being replaced by a weak imitation of the all encompassing and persuasive American way. Perhaps after all CBC now represents only too accurately an equally confused Canada. CBC should be told more definitely and clearly by Parliament what it is expected to do.

I am not unaware of the difficulty of defining the responsibilities of the CBC in more specific terms than is now done in the so-called CBC mandate and in the White Paper, but it should be attempted. Without courting narrowness, which God forbid, I believe it is the responsibility of Parliament to do so. So far CBC's only explicit directions from Parliament have been to collect all it can from advertisers so as to ease the public treasury as much as possible. Is this national purpose?

Why Dual Boards

I am still fundamentally at variance with the decision set out in the White Paper to continue a dual set-up despite inevitable overlapping and much contention and frustration over the last several years. Though to say so is perhaps quite useless now, I nevertheless feel this should be recorded.

History shows that the weakness in the administration of the old CBC Board of Governors was its tolerance and consideration in the enforcement of regulations. It proceeded so much on the basis of "sweet reasonableness" that indeed, the Royal Commission of 1957 said: "None of the groups supporting the CAB pointed to any existing regulations which they found burdensome or hoped would be removed by a new and separate board. After twenty years of regulation they could not show any substantial evidence of unfair treatment, or any clear conflict of interest and duty in the operations of the CBC Board of Governors. Nor could they say how the form and content (structure) of broadcasting would be changed except that it would be dealt with by a different board. They agreed that they had every confidence in the integrity and fairness of the CBC Board and that of the officials of the Corporation."

The move to create dual boards was opposed before the Royal Commission of 1957 by several important private broadcasters. It was vigorously opposed by the present Prime Minister and his chief lieutenant, Hon. W. J. Pickersgill, in the House. Mr. Pearson said:

> "As I see it, there are certain major defects in the legislation. First, in my opinion, it goes a long way to creating two national broadcasting systems. Second, it weakens the Canadian Broadcasting Corporation in some undesirable ways. Third it provides for an undesirable and cumbersome administrative setup.—The creation of these two boards is unnecessary, unwise and costly. If these two boards do not get into each other's way, or indeed into each other's hair with resulting confusion and conflict it will be because one of them—will become more or less useless.—Under this system, we may come to have two systems, one public and one private."

This is precisely what even the CBC is now claiming. Mr. Pickersgill said:

> "We did not wish to see a situation created wherein there would be two systems in this country. We wanted only one and we in our party have always taken that view—It is fundamentally wrong".

The change was also opposed by a representative delegation headed by Professor Donald Creighton who urged the then Prime Minister to abandon the idea and reaffirm the principles so clearly laid down by the Rt. Hon. R. B. Bennett. It was emphatically opposed in the report of the Royal Commission of 1957 which prophetically forecast the difficulties that would arise, and did arise in the following six years.

They were years of dissension, uncertainty and temporizing. Almost immediately it became necessary to establish liaison between the two boards, Consultative committees were set up. In spite of these and public assurances that these were working very well, a series of near contretemps continued until 1963 when the Pickersgill Committee came into being. And its report was only three

weeks old when the Government appointed the Fowler Committee to do much the same job all over again.

White Paper Confusing on Authority

The White Paper is a very confusing and to me even contradictory document. While declaring that the comments and criticisms of the Fowler Committee were in many respects soundly based and generally valid, it denies the very essence of that report, without giving any sound reason beyond the suggestion that "the field of management and operational policy in the CBC is so large that the responsibility should not be entrusted to a panel of members of the BBG". I suggest that a board fully capable of discharging both functions can be found and can be found more easily than under the situation it is now proposed to perpetuate.

A score of Parliamentary Committees from 1932 to 1958 plus two Royal Commissions declared the CBC to be the core and dominant feature of the Canadian broadcasting system. The White Paper definitely cast uncertainty on this. Dr. Stewart said:

> "It appears that considerable clarification of the decision-making role of the BBG on the one hand and of the directors of the Corporation on the other is necessary in translating these general propositions into legislation which will avoid conflict of jurisdiction between the two public agencies.

Mr. Ouimet is equally definite as to this need. It would appear that further intelligent discussion about the necessity for clarification is difficult until these uncertainties are cleared up in the draft legislation itself.

Mr. Ouimet for the CBC Board rejects the concept of a single authority as old hat and suggests that that idea has already been replaced in practice by two systems, public and private. Both CBC and BBG officials have come to refer to these as sectors or units of the Canadian system. Let us take a closer look at these so-called sectors. CBC may be a unit but the privately owned stations certainly are not, except in the sense that they are all privately owned and are all dependent on advertisers for their revenue. But their services, their profits, their status and their opportunities vary widely.

First there is the breakdown between television and radio stations which compete as keenly between themselves for business and audiences as they both do with other media. Because of its overpowering and increasing dominance let us look at television first—English and French separately. These are set out as follows under A. B. and C. They are all neatly listed in the last CBC Annual Report

A. The CBC English network consists of—

9. CBC owned and operated TV stations, 2 in Newfoundland, two in Ontario and one in each of the other provinces except New Brunswick and Saskatchewan where up to now there are none. These stations carry the entire CBC service and they, with their relay stations, are the only ones in Canada that do.

24. local CBC owned relay or rebroadcasting stations. These also carry all CBC service.

38. *Privately owned affiliates* which broadcast an average of 47½ hours weekly of CBC network programs largely in prime time and without which CBC would have no distribution in their areas. None save Windsor, broadcast less than 40 hours while some carry over 56 hours weekly. It is safe to say that 75 to 80 per cent of these stations are dependent on CBC service and would in all probability go broke within a year if it were withdrawn.

I have before me the record of a prosperous privately owned Ontario station reaching over 200,000 people. Between 9.30 a.m. sign on and 12.00 midnight it broadcasts 99 hours weekly. Of that CBC furnishes 48 hours. Old movies fill 12¼ hours, other films, mostly American, 28 hours. The only service it produces on its own is less than 7 hours of news, weather and sports, half an hour weekdays at noon and half an hour in the evening. It is fairly representative of affiliated stations though a few produce a little more.

65. *privately owned* and affiliated *relay transmitters* which broadcast all programs of their mother stations. They cover many isolated areas. There are 7 in Ontario, 10 in Saskatchewan and 29 in British Columbia. Large parts of New Brunswick, northern Ontario, Saskatchewan and British Columbia interior depend entirely upon them. All relay stations are free of charge to sponsors, i.e. they are included in the rate cards of their parent stations.

25. Independent *Rebroadcasting stations* which carry CBC network programs but are not owned by affiliated stations.

Thus we see that the CBC English network is dependent for distribution on more than four times as many privately owned stations as CBC stations on the network and almost four times as many relay stations as CBC itself operates.

In the case of the French TV network Radio-Canadas' dependence on private affiliates is correspondingly great. Radio-Canada owns four stations of its own, one in New Brunswick, 2 in Quebec, one in Ontario and one in Manitoba. It has 9 relay stations but it depends on 8 private affiliates and 27 private rebroadcasting stations.

B. *Independent Non-Network Stations*

These include CHCH-TV Hamilton and CFTM Montreal. The latter also operates a small so-called network by sending tape programs to them.

C. *CTV Network*

Now has 11 affiliates reaching mainly metropolitan and contiguous areas. These are the big potential money makers and it is said some have already changed hands at handsome capital gains. CTV will no doubt acquire a few additional affiliates like Saint John, possibly London, Saskatoon or Sudbury as CBC acquires licenses at these locations but its expansion of facilities will be limited until the Canadian economy expands substantially. For the same reasons its program service must have quite definite limitations both as to volume and quality.

The CTV network is the only part of the Canadian broadcasting system that can truly be called an alternative privately owned system, unit or sector.

The real division is not between public and private stations but between those owned and operated by CBC plus those affiliated with and dependent on CBC, *versus* CTV and its affiliates in television.

In radio the situation is different but here too CBC is still quite dependent on private outlets. There are 4 CBC owned stations on the Radio-Canada French network and 29 private outlets, together with 23 low power relay transmitters.

On the CBC English radio network there are 19 CBC owned and operated stations and 53 private stations for which there are statistics of distribution of CBC programs. The hours of CBC program service carried by 51 of them in January 1966 averaged slightly more than 28 hours weekly of which 23½ hours were in reserved time. Most carried four hours a day but some carried only 2 hours a day or less. After the network was reorganized in the autumn of 1962 a drive was put on to increase the hours of CBC service both reserved and unreserved and there was in the following year a considerable increase in the hours of CBC service carried by the affiliates over and above reserved time. Now this has dropped severely.

Private radio stations could survive complete severance from the CBC network with far less shock than private television stations would suffer if they were dropped. Incidentally the real competitors of private affiliated radio stations for business and audience is not CBC but the big metropolitan radio stations in particular as well as the television stations.

Mr. Ouimet states that self coverage by CBC owned and operated stations is now over 70 per cent. Without wishing to reflect in any way on the veracity of this statement I consider it very optimistic from the standpoint of practical reception and that 50 to 55 per cent would be much closer to actuality in television, with perhaps 60 per cent in radio. Moreover there is immense disparity between urban and rural service. In 1962 though 63 per cent of the urban population was within the coverage of CBC owned and operated television stations, only 27 per cent of the rural population was so covered. The total for Canada was 52 per cent. I doubt if it has changed much since. I have discussed this with many, including several CBC people who have travelled extensively all across Canada and they have been shocked by the inadequacies of reception both in television and radio, particularly in the northern and more sparsely populated areas. This holds from Nova Scotia to British Columbia. To be fully appreciated, this coverage problem requires far closer scrutiny than cursory looks at contour maps.

Mr. Ouimet suggests that in recommending a system of dual boards, CBC directors were very much aware of the experience in Australia and in Great Britain where both public and privately owned systems play important parts. It is not clear whether CBC endorses these dual systems as they stand or not, though it would seem so. Not many years ago the Canadian Association of Broadcasters also recommended the Australian system.

But there are essential differences between the braodcasting establishments, public and private in these countries and in Canada. A separate body in Britain

was the only way to introduce commercials for the BBC charter forbade them. Moreover Britain is a very small area completely and relatively easily covered by BBC and I believe almost completely covered by ITV. Neither has any affiliate problem.

In Australia, the public body, the AB Commission is strictly *Non-commercial* and with a much less well balanced national service than has Canada. The technical facilities, i.e. stations and connecting circuits (all but studios) are not operated by the Commission. They are operated by the Post Office Department. ABC is a program production organization only. Commercial television stations totalled 24 at the end of 1964. Commercial radio stations have only increased from 97 to 110 in 22 years. Most are owned or controlled by the newspapers. There is no affiliate problem. Incidentally the Australian Control Board has come under much more stringent criticism from the Senate of that country than either public body has here. This was because of its laxity in dealing with the commercial stations. The exodus of top talent from Australia to Britain, U.S.A. and even to Canada in recent years has been extraordinary. The Australian model (with its public service radio and television limited to non-commercial programs) is not for Canada. American adjacency to Canada makes such a system out of the question here. Put into practice here it would result in chaos and bankruptcy for private stations and minimal audiences for CBC. Awareness of this situation has probably been of no small importance in the willingness of Parliament to vote steadily increasing public grants to CBC.

It would appear that the CBC Board looks forward to the day when CBC will operate publicly owned networks, radio and television self-sufficient in coverage without the need for private affiliates. In many ways it is laudable ambition. I believe it could be accomplished easily now in radio, not alone by the addition of numerous tiny relay transmitters but by renegotiating for the use of far higher power on its clear channel stations and then putting that into effect. Had this been possible years ago the publicity value in the United States would have been worth all the cost many years over. CBC radio programs are prestige programs in the U.S.A. There are innumerable evidences of that.

The possibility of CBC self coverage in television is quite a different matter even more remote than reception by a Canadian satellite is at this moment, perhaps as remote as direct reception to home receivers from satellites is now. Until then private television stations, it would seem, need the CBC quite as much as CBC needs them.

Though the White Paper is a very obscure document it does appear to contemplate the delegation to BBG of responsibility for overall broadcasting policy subject to directions from the Governor-in-Council as to the *physical structure* of the system *as a whole*. BBG is to have "full power to regulate the constitution of an affiliation to all networks public and private". Surely this means BBG will have the final responsibility for the distribution of all network programs after they leave the studios of the networks concerned, of setting and enforcing "reserved" and "option" time of regulating the program mix and seeing that those national or regional features which make for national unity and identity are broadcast at proper times by all stations, public or private. It would seem, right or wrong, that if the White Paper means anything it means that.

The CBC Board also recommends that BBG be given full authority and responsibility for "the planning and administration of Canadian broadcasting's physical structure" together with general regulations. Surely this means the planning of coverage, location of all stations to the greatest advantage to the nation as well as the issuing of licences. All means of communication between stations whether by land lines, microwave or satellite would also seem to be envisaged. I suggest that to discharge these functions BBG cannot be limited to mere regulating, that it must become a major operating agency of alternately use CBC as its agent because only CBC has the personnel and expertise in many fields. BBG is also enjoined to institute and conduct "objective research in co-operation with the CBC into all matters bearing upon broadcasting in Canada". There is no limit on this. It may be technical, audience measurement or program impact.

There remains the actual creation or building of publicly owned stations and production of the national program service. Should this be a proper interpretation then I consider all these operations should become the function of one super board. Otherwise there will continue to be conflict and it will be very difficult to secure and maintain personnel with the vision, experience, calibre and dedication to the national interest that are so essential. I believe the creation of the national service and its distribution go hand in hand. A single board is the best guarantee of unity of interest in the purposes and pursuit of national braodcasting. Dual boards have resulted in fragmentation and ambiguity.

Much has been made of the desirability of regulating the program content of private stations, that in future licenses should be issued on the basis of performance, by hindsight as it were. I do not believe this will have any material effect on program improvement. There is nothing in past history to suggest that regulations have improved quality. They can prevent abuses and flagrant breaches can be disciplined but that is quite another matter. By and large I believe the same "sweet reasonableness" as has been the custom in the past under both CBC and BBC will prevail. Neither do I believe that any marked contribution to *national* purpose can be expected from 90 per cent of private stations beyond doing the very best job of which they are capable in their own localities. The quality of affiliates' programming in Canadian terms will depend not on formal regulations but on the nature of the program services of the network to which they are affiliated. That is why ultimately the broadcasting authority in this country must not be entirely removed from operations. The CTV network and a very few major stations may be exceptions. The great mountain of responsibility envisaged by some for the BBC in regulating, measuring and disciplining the so-called private "sector" is little more than a molehill. Regulation of all stations to a point, yes, but beyond that it is unproductive, wasteful and bureaucratic. The real effort should be given to the maximum program efficiency directed to the most important national needs and the distribution of the product as efficiently and widely as possible during those periods when it will be given maximum exposure.

I suggest that some attention should be given to the profits aspects of some private operations and suggestions made that some plan be devised for skimming off excess profits of the most privileged private broadcasters. The occupation of a broadcast channel is a public trust, not a mere money-making

machine. The profits of large metropolitan stations, radio and television, seem entirely disproportionate. Plenty of small, relatively unprofitable stations can show records of public service that would put some of the larger ones to shame. Leonard Brockington before the Committee of 1939 said, quote:

> "Anybody who occupies the public domain enjoys a franchise that is in the nature of a public utility. The principle of public utility ownership is that it shall be highly regulated and that there shall be limitations on its profits with surplus profits going back for improvement of the public service. The earnings of gas companies, of electric light companies, and of other companies occupying public franchises are limited usually to what is described as a reasonable return upon the capital used and useful in the business. The essential interests of the community demand that there shall be no profiteering in private broadcasting.

If a plan could be devised for raking off some of the profits of the biggest money makers without discrimination as to their genuine enterprise and redistributing this among struggling smaller stations with a sound record for public service there would be much less objection to these excess profits.

It should be mentioned too that the big established metropolitan stations automatically set advertising rates for the small outlets. They keep rates quite moderate and keep business flowing without having to resort so much to the hard sell as have the small stations. Private broadcasters in Great Britain have to pay a special tax varying with the size of the profits.

Profits would not be so high if a larger proportion of earnings were spent in the genuine encouragement of talent. The Fowler Committee was highly critical of these expenditures. It charged that while revenues have been steadily increasing the percentage devoted to artists and other talent fees has steadily declined from 6 per cent in 1961 to 4.6 per cent in 1963. It said: "It is worth noting that more than 30 per cent was paid by one French language station in Montreal".

Last year the expenditures of this same station for the same purpose almost doubled that of 1963 and must have accounted for almost one half of the expenditures of all private TV stations in Canada for that purpose. It is not surprising that the CAB was embarrassed by Fowler's figures and claimed they were unfair. The CAB suggested that all salaries and wages, even those presumably of managers or cleaners, should be regarded as talent fees.

There is real need for a more realistic classification of such expenditures and their disclosure.

I believe the move to appoint a Standing Committee to review more regularly and systematically the broadcasting scene as well as other branches of the arts is an excellent one and should be perpetuated. Between 1961 and 1966 there unfortunately was no such committee. The involvements of broadcasting are such that ad hoc periodic committees cannot do justice to the intricacies of the many problems they have to consider. This has been only too apparent at times in the past. More frequent attention by a select group of able and keenly interested representatives from all parties will result in a better understanding of the swift and vital changes constantly taking place in the field of communications.

APPENDIX "16"

Submitted by Warwick Webster 319 Canice St. Orillia

This brief is filed by an individual resident Canadian Songwriter and Composer who has intermittent experience of trying to compose, write and promote Canadian Popular music during the past twelve years.

It must be understood that under present day environment, a song or musical composition is unacceptable to the public without a recording. Canada has many recording companies whose business consists mainly of importing foreign "master recordings" and pressing them for the Canadian market. Any Canadian composer trying to break into the Canadian music market faces tremendous competition. Over 150 foreign "Singles" master records are imported into the country every week plus some 50 L.P.'s. He will find that Canadian Publishers experience great difficulty in publishing Canadian music, because few Canadian record companies will record it—and even if they did, few Canadian Radio Stations would bother to play it.

The market value of a record depends very much on a distinct "Sound" or styling of the arrangement and since very few record companies are willing to spend money on musicians or arrangers, the odd Canadian recording Artists that do manage to survive usually go to the U.S. or Britain to make a recording and have it released simultaneously in the U.S. and Canada (e.g. Ian and Sylvia or Gordon Lightfoot)

Here again, the popularity of the record depends entirely on the whims of the Canadian private broadcaster who may decide to give it a few spins for good luck, otherwise the record must depend almost entirely on its chances of reaching the U.S. hit parade.

The Canadian Private Broadcaster seldom goes out of his way to push Canadian music or talent unless it has been tried, tested and found worthy of the U.S. Hit Parade. He may play a particular foreign recording four or five times a day, but Canadian records are usually passed over for those listed in the U.S. Magazine "Billboard".

Even at CFRB, (which the writer considers one of the finest stations on the continent) there is a very unusual attitude toward Canadian music. Here we have a station which is building a fine library of Canadian recordings of foreign music; "The Canadian Talent Library" of which it plays about one per hour. In addition it carries a solid hour of British music and several hours of European music per week, but very seldom does one hear a record of Canadian music. Of course, one might argue that Canadian music does not offer the quality required, but this is not always the case.

Generally, Canadian content in radio seems to average between two and four percent, depending on the station. Whereas in Britain, British content has jumped to about sixty percent, having risen from forty percent some two years previously.

It is obvious that Canadian composers could not possibly produce the volume required for such high content, but the facts are that a reasonable Canadian content of say 10 or 15 percent would create a considerable outlet for

Canadian material and provide an impetus for the recording companies, not to mention the work it would provide for musicians, arrangers and artists.

The Canadian Record Industry has a market of between thirty and forty million dollars per year. The Canadian Publishing Business has a market of some two million dollars per year. B.M.I. and CAPAC collect from the music users of Canada some four million dollars per year and the Public supports the CBC to the tune of one hundred million dollars per year. We also have Advertisers pouring millions into Private Broadcasting simply for the privilege of promoting a product in between performances of a couple of records. Without music not one of these institutions would exist, but the writer has yet to meet a resident Canadian composer or songwriter who can live on his royalties.

An experienced Canadian composer knows that he cannot expect a living from Canada. What he urgently needs is support and encouragement. He seeks a record industry that will record his material and a broadcasting industry that will expose or perform it for the public. If his work has merit, it will quickly be picked up by other record companies abroad and so further his chances of royalties and performing rights. Eventually, he may have the satisfaction of knowing that his composition is being played around the world. In Canada, this phenomena occurs approximately every two years.

The CBC does a remarkable job in certain respects, but often when it feels inclined, it will not only go out of its way to promote foreign music, but bring in the composer at great expense, to conduct or play his own music for an entire program. Seldom does one hear an entire program of Canadian music or even a selection of Canadian music on T.V.

A few years ago, this attitude so incensed the writer that he wrote to several MP's. One of them, a Mr. Douglas Fisher, passed on the letter to Capt. Briggs of the CBC.

In his reply, Capt. Briggs stated that it was absolutely impossible to put on an "All Canadian" program (Artists musicians and music) through the auspices of the CBC. He cited several reasons, such as coordination of talent, lack of arrangers, difficulties with 'avant garde' musicians, etc. Unfortunately for Capt. Briggs, an "All Canadian" show had been broadcast some six weeks earlier on "Country Hoedown". His arguments therefore, seem somewhat superfluous.

Unlike the rest of the world. Canada suffers from the same predicament as the U.S. in having TWO Performing Rights Societies, which are of course CAPAC (Composers Authors and Publishers Association of Canada Ltd.) and B.M.I. Canada Ltd. (Broadcast Music Incorporated) which is owned by U.S. and Canadian Broadcasters.

Both these societies are opposed to each other on the subject of Canadian content with the result that a composer consulting with CAPAC will find an eager discussion on the prospects of some form of Canadian content for Canadian creative people both in radio and TV. On the other hand, composers consulting with B.M.I. will find it vociferously opposed to any form of legislation. Their implication being that Canadian music will eventually find its own level by its own unique quality.

As a B.M.I. affiliated writer for some twelve years (one cannot belong to both groups) the writer has been listening to both sides and waiting for some improvement for a long long time.

The facts are that Canadian Broadcasters are not really interested in Canadian music and talent. To them the exposure of Canadian material is the thin edge of the wedge—Tomorrow, they might be paying fees for real live talent, which is a horrifying thought to say the least.

Canadian record companies will state that the market is too small and unprofitable. Yet they have no qualms about recording and pressing for the French market in Quebec, which is but a fraction of the country as a whole. Some companies such as 'London' or 'Capitol' show no interest whatsoever in Canadian recordings. Others such as 'Sparton' 'Arc' or 'Quality' do occasionally press a few Canadian issues. Usually, the artist pays costs.

In conclusion, the writer feels that Canada must establish some form of Canadian content in radio, whether by agreement or legislation. Some thought should also be given to establishing a Canadian quota of recordings that are issued in this country. Whatever the outcome Canadian talent and music must and should receive the recognition it deserves. Otherwise, the old axiom must apply. "What the public does not hear will never be bought or sold!"

SUPPLEMENT TO BRIEF SUBMITTED BY WARWICK WEBSTER

The writer feels that the time has come for the Canada Council to implement a series of National Annual Awards throughout the field of the arts and particularly in music, poetry, literature, Radio, TV and Films.

As envisaged, these awards would not necessarily be in monetary form, but they should mark a significant achievement in terms of quality and excellence by the presentation of a statuette or certificate and given the widest possible publicity.

It is suggested that a committee be set up under the auspices of the Canada Council and possibly chaired by a representative from the Secretary of State. This committee should include members from each of the fields selected for inclusion in the competition and they in turn would determine the number of awards to be made.

Nominees should include members of all applicable professions and each member should be entitled to a vote. Voting would take place within three months of the close of a year.

Nominations should cover as wide a range as possible. They should not, for instance, preclude the possibility of including a ten year old girl in Moose Jaw, Alberta writing a beautiful, moving piece of poetry that has been published by the local newspaper. She may never have another poem published, but for that one flash of inspiration, her contribution should not go unrecognized by this country. She would treasure such an award for the rest of her life.

Explanation of figures and percentages quoted in this brief
Importation of Foreign Records:

SOURCE: Toronto Telegram Dec. 31st, 1964 and private information obtained in the music field.

Canadian Musical Content in Private Radio Broadcasting:

CFRB plays Canadian Talent Library recordings approx one per hour. This equals one in twenty records or about 5 per cent. As this is generally accepted as the highest of all stations, one can assume an average of between 2 per cent and 4 per cent.

N.B. CAPAC has logged stations where not one Canadian Recording has appeared in the log.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: MR. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 38

THURSDAY, FEBRUARY 2, 1967
FRIDAY, FEBRUARY 3, 1967

White Paper on Broadcasting (1966)

WITNESSES:

Sir Hugh Greene, K.C.M.G., O.B.E., Director-General, British Broadcasting Corporation; and Sir Robert Fraser, O.B.E., Director-General, Independent Television Authority, (United Kingdom).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25546—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

*Mr. Asselin (*Charlevoix*),	Mr. Johnston,	Mr. Pelletier,
Mr. Basford,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Béchard,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Brand,	Mr. Macquarrie,	Mr. Richard,
Mr. Cowan,	Mr. Mather,	Mr. Sherman,
Mr. Fairweather,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

* Replaced by Mr. Forrestall on Wednesday, February 1.

ORDER OF REFERENCE

WEDNESDAY, February 1, 1967.

Ordered,—That the name of Mr. Forrestall be substituted for that of Mr. Asselin (Charlevoix) on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

25546—1½

MINUTES OF PROCEEDINGS

THURSDAY, February 2, 1967.
(57)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.40 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Berger, Brand, Cowan, Fairweather, Forrestall, Hymmen, Jamieson, MacDonald (*Prince*), Mather, Munro, Pelletier, Prittie, Richard, Simard, Stanbury—(16).

In attendance: Sir Hugh Greene, K.C.M.G., O.B.E., Director-General, British Broadcasting Corporation; Sir Robert Fraser, O.B.E., Director-General, Independent Television Authority, (United Kingdom).

The Committee resumed consideration of the White Paper on Broadcasting (1966).

The Committee agreed to the schedule of remaining witnesses, presented by the Chairman, as recommended by the Subcommittee on Agenda and Procedure.

The Chairman then introduced Sir Hugh Greene, who made a statement in which he briefly reviewed the history of the BBC.

Sir Hugh Greene was then examined on the structure of broadcasting in the United Kingdom and explained his role and functions as Director-General of the British Broadcasting Corporation. He also supplied information on Advisory Councils, administration, programming, production, colour TV, political broadcasts, satellites and educational TV.

The examination of the witness being concluded, subject to recall later this day, at 12.05 p.m., the Committee adjourned until 3.30 p.m., this afternoon.

AFTERNOON SITTING
(58)

The Committee resumed at 3.45 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Brand, Cowan, Fairweather, Forrestall, Hymmen, Jamieson, MacDonald (*Prince*), Macquarrie, McCleave, Munro, Nugent, Pelletier, Prittie, Sherman, Stanbury—(16).

In attendance: Same as at morning sitting.

The Chairman introduced Sir Robert Fraser who made a statement on the pattern of British broadcasting and outlined the position of the Independent Television Authority in the U.K. broadcasting structure.

Sir Robert Fraser was then examined on various matters including the operation of the Independent Television Authority, the role of the Government

and the Postmaster General in U.K. broadcasting; programming and monitoring of programs.

The examination of the witness being concluded, subject to recall at a later sitting, he was permitted to retire.

Sir Hugh Greene was then recalled and further examined.

The examination of the witness still continuing, at 5.45 p.m., the Committee adjourned until 9.30 a.m. on Friday, February 3.

FRIDAY, February 3, 1967.
(59)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Fairweather, Forrestall, MacDonald (*Prince*), Macquarrie, McCleave, Munro, Prittie, Stafford, Stanbury—(10).

In attendance: Sir Hugh Greene, K.C.M.G., O.B.E., Director-General, British Broadcasting Corporation; Sir Robert Fraser, O.B.E., Director-General, Independent Television Authority, (United Kingdom).

The Committee resumed consideration of the White Paper on Broadcasting (1966).

Sir Hugh Greene and Sir Robert Fraser were further examined on the structure of broadcasting in the United Kingdom, particularly on matters relating to educational TV, the role of the Postmaster General, monitoring of programs, programming, audience measuring systems and commercial revenues.

The examination of the witnesses being concluded, the Chairman thanked Sir Hugh Greene and Sir Robert Fraser for coming to Canada to assist the Committee in its deliberations.

At 11.05 a.m., the Committee adjourned until 9.30 a.m. on Tuesday, February 7.

M. Slack,
Clerk of the Committee.

EVIDENCE

(*Recorded by Electronic Apparatus*)

THURSDAY, February 2, 1967.

The CHAIRMAN: The meeting is called to order.

The steering committee has suggested a timetable for completion of this series of hearings, as follows: On Tuesday, February 7, the Chairman of the Board of Broadcast Governors, Dr. Andrew Stewart, and the President of the Canadian Broadcasting Corporation, Mr. Alphonse Ouimet, will return to the Committee. On Tuesday afternoon, the Canadian Association for Adult Education will make a presentation to us. On Thursday, February 9, the Directors of the Canadian Broadcasting Corporation will come to the Committee. On Tuesday, February 14, St. Valentine's Day, we will be welcoming the Minister to make her statement and we hope, answer all our questions. If any of you would lie to pop the question on that occasion you will have a good opportunity.

Is that timetable agreed for the completion of this section of our hearings?

Mr. JAMIESON: Mr. Chairman, did you follow up any further the prospect of somebody on educational television?

The CHAIRMAN: The proposal of the steering committee was that after completing this section of our hearings, and hopefully producing a report on the general structure policies posed by the White Paper, we would then spend a substantial amount of time on educational broadcasting.

That is agreed.

Some hon. MEMBERS: Agreed.

Mr. MACDONALD (*Prince*): Mr. Chairman, just before we leave this, there has been some discussion I know, and certainly it is of interest to a number of members of the Committee, of the possibility of perhaps seeing first hand some of the other broadcasting sites. We have Sir Hugh Greene with us today. I do not know whether this is the time to discuss it but I would like to see this matter seriously considered at some point. I was thinking particularly of the BBC.

The CHAIRMAN: Well, the steering committee has given some consideration to this and has not made any such recommendation up until now. I might say that the Australian Broadcasting experts, while they have been unable to come to Canada to advise us have extended an invitation to us to visit their facilities. I think the feeling of the steering committee has been that while these hearings could go on for a long time and we could learn a great deal more than we know, it is urgent that some progress be made in this field and we are anxious, if possible, to produce at least an interim report before this session is over.

Mr. MACDONALD (*Prince*): Well, I am not sure that this would be the time to consider it, but I do think it should be considered in the context of our own

program this year. On another point too, a number of us have read the submission of Mr. Austin Weir, a very commendable piece, and I would like to see it appended to the report of proceedings either today or at some point.

The CHAIRMAN: I believe that was agreed to at the last meeting.

Mr. MACDONALD (*Prince*): Was it? I guess I missed that, then.

The CHAIRMAN: I believe it was.

We have with us today the Director General of the British Broadcasting Corporation, Sir Hugh Greene, and also, to appear later today, Sir Robert Fraser, the Director General of the Independent Television Authority in the United Kingdom.

Our first witness will be Sir Hugh Greene. Sir Hugh started his career as a journalist, and he has been with the BBC for many years—some 16 or more years—in its European and overseas services; two years as its Director of Administration; about a year and a half as the first, and, I think, the only, Director of News and Current Affairs, and since 1960, its Director General. He comes from a very distinguished family, known very well to Canadians not only because of himself but also because one brother, Raymond, is a noted Everest climber, and another brother, Graham, is a well-read author in Canada. Sir Hugh, we welcome you to our Committee; we thank you for coming such a long way to answer our questions.

If I may start things off, I think we would appreciate it if you could give us briefly an outline of the structure of broadcasting in Britain, and how this has developed.

Sir HUGH GREENE (*K.C.M.G., O.B.E., Director General British Broadcasting Corporation, England*): Thank you very much, Mr. Chairman; it is a great honour to the BBC that you should have invited me to be present on this occasion, and I am very glad to be here.

Perhaps I could start off by answering your question with a rapid historical review. The BBC started life as a company under the auspices of the radio industry—the British Broadcasting Company—in 1922, its first general manager being Mr. John Reith. It became a public corporation established by Royal Charter on January 1, 1927, operating under a license and agreement with the Post Office, and it developed rapidly as a corporation. In the 1930's the BBC started its external services, first of all in the form of an empire service in English in the early 1930's. Then, as the shadow of the war deepened, certain foreign language services in Arabic, in Spanish and Portuguese for Latin America, in French, German, and Italian were started.

In the 1930's, the BBC also started the first television service in the world; in 1936 that was. The television service was suspended during the war, and started again after the war, and the BBC had a monopoly both in television and radio until the setting up of the Independent Television Authority which came on the air in the autumn of 1955; it still has a monopoly in radio.

The BBC consists, at the moment, of two television channels, (which, I think is internationally quite an unusual situation); three radio networks to which we shall, in the course of this year, be—at any rate, possibly—adding a fourth. In addition, later on this year, we shall make an experimental beginning in local broadcasting. In the external services we are broadcasting in about 40 different languages.

So, the BBC, as a whole, covers all these very varied occupations. In addition to that, we have a big publishing organization which produces "Radio Times," the "Listener," and many other publications, including educational publications in particular.

The CHAIRMAN: Thank you, Sir Hugh. I wonder if members might agree to proceed by questioning the witness on the structure of the British system first of all. Then we might proceed through various sections of the White Paper, raising questions of how these things are done in Britain rather than ranging over the whole field of questions which we might ask the witness all at once. Is it agreed?

Some hon. MEMBERS: Agreed.

Mr. BRAND: Agreed up to a point, Mr. Chairman, until you establish exactly—

The CHAIRMAN: We will see how it goes. Mr. Prittie, do you have a question?

Mr. PRITTIE: I will confine my questions, Mr. Chairman, to the Board of Governors, and that sort of thing, and the chief executive officers of the corporation. Sir Hugh, you have been Director General for several years, is there a time limitation, or is this an indefinite appointment that you have?

Sir HUGH GREENE: No, there is not time limitation to the appointment of the Director General. He can be, so to speak, sacked at any time, if that is the wish of the Board of Governors, like any other member of the service. He also can continue until he reaches retiring age.

Mr. PRITTIE: How long had you been with the BBC before you became Director General?

Sir HUGH GREENE: I joined the BBC in 1940; I have been with the BBC for just under 20 years.

Mr. PRITTIE: If the BBC were to consider appointing a new Director General—in the event that you decided to retire, or were sacked, as you say—would this appointment, in fact, be decided upon by the Board of Governors or would the cabinet likely indicate who they would wish to hold the position?

Sir HUGH GREENE: The appointment is made solely by the Board of Governors. At most, the government might be informed as an act of courtesy a few days before the appointment was announced; but they are not, in any way, consulted about the appointment.

Mr. PRITTIE: I see, I have raised a matter of the constitution here; I realize that the Board of Governors have the power and I wondered if this was the reality as well as the theory.

Sir HUGH GREENE: It is the reality. In my own case, for instance, I happen to know that it was only a few days before the announcement that the government was told, just as an act of courtesy, of the appointment that had already been made by the Board of Governors.

Mr. PRITTIE: The next question you may or may not want to answer. Do you feel that a person coming to the position of chief operating officer of the corporation ought to be someone who has come up through the ranks of the

corporation and has long experience in it, or would it be a good idea to have a person from outside the corporation come in periodically to view things in a new light?

Sir HUGH GREENE: I shall be very glad to answer that question. I would hope very much that in future the Director General of the BBC would always be somebody appointed from inside the BBC. I think it is a very good thing from the point of view of the morale of staff that everybody, so to speak, has got the field marshal's Baton in his Knapsack and I would say that the operations of the BBC are now so diffuse and considerable that it would be very difficult for a man coming in from outside to get control in the way that he should.

Mr. PRITTIE: I want to ask some questions about the relationship of the Board of Governors to yourself and the other senior officers of the organization. I notice from your handbook that there are nine members of the Board of Governors, including a chairman and a vice-chairman, and governors representing Scotland, Wales, and Northern Ireland; and that Lord Normanbrook is the present chairman.

Sir HUGH GREENE: Yes.

Mr. PRITTIE: Has he been there longer than you or not?

Sir HUGH GREENE: No, Lord Normanbrook was appointed in the spring of 1964; he is, in fact, the third chairman under whom I have served. The first one was Sir Arthur fforde, then there was the short chairmanship, because Sir Arthur fforde fell ill, of Sir James Duff who had been vice-chairman, so that Lord Normanbrook is, as I say the third chairman with whom I have worked.

Mr. PRITTIE: Are there any members of the Board of Governors who have been there longer than the time you have been Director General?

Sir HUGH GREENE: No, none.

Mr. PRITTIE: The line of questioning is fairly obvious; I sometimes wonder how boards of laymen for broadcasting corporations, or any others, are really able effectively to run a corporation when they have so much less experience than the chief operating officers. The position is very much the same, I suppose, for a new minister coming into a government department, and you have a deputy minister and senior civil servants who have been there for a long time. I would like to ask you a few questions about the work of the Board of Governors.

I want to quote something first. There was an interview, published in the *Listener* of April 7, 1966, between yourself and Lord Francis-Williams. I want to quote one part, because you do refer to the Board of Governors of the BBC. Just prior to the part I am going to quote Lord Francis-Williams had been asking you about the program "The War Game" a film which you had produced and had decided not to run.

Sir HUGH GREENE: Yes.

Mr. PRITTIE: He then said this:

> Is this the sort of subject on which the Governors of the BBC would come in—did they take any decision on it?

And you replied:

Yes, very much so—and I was in all the decisions on this subject, entirely associated with the Chairman, Lord Normanbrook, who read the script at the same time as I did and watched the film at the same time as I did.

Now, I want to go on to the next question of Lord Francis-Williams; he said this:

The Governors of the BBC are an admirable body of people, and I would not say a word against them—after all I was a member of the Board myself once—but like the Governing Body of Independent Television they are, on the whole, very much establishment figures.

I will interject here to say that in this great North American democracy we do not have establishments, I suppose, but I will read on:

Do you think that there may be a case for what has been argued rather a great deal lately—something like the Press Council, or indeed for an extention of the Press Council to which the ordinary viewer and the ordinary member of the public could, if necessary, appeal so that what the BBC or the ITA have done could be examined by an objective outside body?

If I may, I will refresh your memory with your reply; you said:

Somebody who appears, on the face of it, to be an establishment figure does not always think or act as an establishment figure. I think there is nothing whatever to be said for some outside body like the Press Council to be put over broadcasting. Here we have a body of people—they are not chosen, of course, to be representative in the fullest sense of the term, they are chosen as people who have been distinguished in various fields, who have a lot of experience through their past life, and who should have accumulated wisdom through their vast experience, and who can be helpful in guiding the BBC—and they think of themselves as the trustees for the public. I was very interested once when talking to the Board of the CBC in Canada, to find that they thought of themselves as the trustees for parliament—which I think is a much less admirable thing than being trustees for the public. Our Board, after all, has the advice of numerous advisory councils. We have, in fact, many different advisory councils with about 500 different people giving us advice, listening to what we say, either generally or in specialized fields. An awful lot of opinion flows into the Board of Governors apart from a quarter of a million letters we receive every year and numerous telephone calls and so on, and we have a continuous dialogue with our audience. We deal directly with our audience. The real danger of a Council, apart from the fact that it would decrease the authority of the Board of Governors, is that it would interrupt the direct dialogue between the BBC and its audience, and I should think that what I have said would probably be just as true of ITV.

Now, I would like to ask you just how much involved are the governors in the operations of the corporation? How frequently do they meet? How involved is the chairman on a day-to-day basis I see from your answer here, you did discuss a particular program with him.

To summarize my questions again: How frequently do the Board of Governors meet; how much are they really involved; what sort of things do you discuss with them and particularly how involved is the Chairman on a day-by-day or week-by-week basis with you?

Sir HUGH GREENE: Certainly, the Board of Governors normally meet once a fortnight with a couple of months break in the summer months. The sorts of things which are discussed with them are major matters of policy, whether program policy, administrative policy or financial policy. The Board of Governors can also raised any point which they wish themselves, and ask questions on that, or ask for reports on anything, whether a matter of great importance or quite a small thing. They will often be representing points which have been brought to their attention by members of the public. The board, one must remember, is in legal terms, the corporation. They have complete power. In practice—it has always been the practice—the day-to-day running of the BBC is in the hands of the chief executive or Director General and his immediate colleagues. The Chairman is more involved than the other members of the board. The Chairman's appointment is not full-time—but he does devote the major part of his time to the BBC. How much, no doubt, historically differs from chairman to chairman. The present chairman spends a great deal of his time with the BBC; he has other appointments as well as the chairmanship of the BBC, but he makes the BBC his headquarters so that he is available for consultation practically every day. That I find a very valuable thing; one establishes with the chairman an informal relationship. It is not so much a matter of formal meetings with him, so many times a week, but of his just dropping in on me, or of my dropping in on him when we have something that we would like to discuss with each other.

Mr. PRITTIE: You would see him several times during a week, would you?

Sir HUGH GREENE: Oh yes, normally.

Mr. PRITTIE: Just for the record, I noticed that the chairman receives £5,000 a year plus expenses; the deputy chairman £2,000; the other members £1,000 each.

Sir Hugh GREENE: Yes.

Mr. PRITTIE: If there is some controversial broadcast which arouses the anger of some prominent people, let us say, the Archbishop of Canterbury or a cardinal or the Leader of the Opposition, to whom is the fire directed, the governors, the Director-General or the Prime Minister? Is the fire directed at you principally or to the Chairman of the Board of Governors?

Sir Hugh GREENE: It will differ from case to case. The first letter, opening fire, may come to the chairman, or it may come to me. The more exalted the writer is, the more likely it will go to the chairman.

Mr. PRITTIE: Would it be generally accepted by people in senior positions in the United Kingdom, whether parliament or the church, or business and labour, that if they have complaints they would deal with the chairman.

Sir Hugh GREENE: I think the ordinary M.P. almost invariably writes to me, rather than to the chairman.

Mr. PRITTIE: I see.

Sir Hugh GREENE: There is no necessarily established practice, but I would expect the Archbishop of Canterbury whom you have mentioned or the Prime Minister to write to the chairman, rather than to me.

Mr. PELLETIER: I have one question if Mr. Prittie will let me ask it. Does the reaction in the press vary also? Who would public opinion—in so far as that exists—hold responsible; would it rather hold you responsible or the chairman of the board?

Sir Hugh GREENE: My answer to that would have to go back, I think a bit into history. Reith established himself when he was the first Director General of the BBC as such a public figure that it has always remained the case that the Director General of the BBC has tended to be rather more of a public figure than the chairman or members of the board. That is partly because he tends to be there longer, and therefore the image of the BBC tends to become incorporated in the person of the Director General. On the whole cries will go up of "sack Greene" rather than "sack Normanbrook".

Mr. PRITTIE: I have another question dealing with the relationship of the governors to the Director General. You are the one who recommends senior members of the staff for promotion.

Sir Hugh GREENE: Yes.

Mr. PRITTIE: How well will the governors know these people? Do they always accept your recommendations or do they, over a period of years build up acknowledge of how effectively a person, or a director of a section of the corporation, operates.

Sir Hugh GREENE: It will differ from case to case, I have always regarded it as one of my jobs to keep the chairman very well informed of my views about the top layer of people in the BBC and their possibilities for further promotion. He, in his turn, would certainly make it a part of his business, over the years, to get around and to get to know these people. The governors in general do the same. Although they are very much part time appointments, they do spend a lot of their spare time on BBC matters, and over the years they will tend to get to know a great deal of the operation of the BBC, department by department, and the people in charge of those operations. So that when the time comes for me to recommend an appointment to the Board of Governors, and that applies only to the very top posts—directors and controllers, in our terms—the people concerned will normally be known, at any rate, to a great number of governors. From time to time, if they have any doubts, or if I have any doubts, the governors may appoint a subcommittee to interview two or three possible candidates for the post in question. But that does not happen very often.

Mr. PRITTIE: So if you were to recommend a new appointment for director of television the governors would have a fairly good idea whether the person was a good recommendation or not.

Sir Hugh GREENE: Yes, they would.

Mr. PRITTIE: Mr. Chairman, there are one or two other questions. You have a great many advisory councils to the BBC; you have a general advisory council, you have regional advisory councils; advisory councils for specialized subjects. I

notice on page 18 of your handbook for 1966, Mr. David Gibson Watt M.P. for Hereford and formerly a member of the BBC's general advisory council said this:

> A number of rather hard things have been said about the BBC during this debate. Having worked fairly continuously and closely with the Corporation over a period of two or three years, although, admittedly, the General Advisory Council does not meet very often, one gets a shrewd idea of how things are going.

He then goes on to say that he approves of the corporation although it does not do everything that he would like. My point here is that the general advisory council does not meet very often. We have a recommendation in our White Paper for regional advisory councils and I really questioned the value. Just what function do they serve; how often do they meet; what help are they to the corporation.

Sir Hugh GREENE: The General Advisory Council itself meets four times a year under their own chairman, not under the chairmanship of the Chairman of the Corporation. It chooses itself the business which it will discuss. It has its own business committee through which it gathers the views of members as to what business they would like to discuss. They will put questions, on the basis of which we will provide a paper. We of course will make our own suggestions to them of the things they might be interested to hear about.

At every meeting of the general advisory council, one could say, at least one fairly long-term subject will be discussed as well as subjects of immediate interest which have come up since their previous meeting. This is something that I personally have encouraged very much since I was appointed to this job; there is a completely free-for-all question time without any need for members of the GAC to put up questions in advance. Through that, one does get a pretty good selection of the sort of questions that people around the country are asking about the BBC. The members of the GAC are known and are also themselves approached by people who have worries about the BBC. I think the council performs a very useful function. We have very distinguished people on it from different fields. It performs the useful function of providing advice, keeping in touch with public opinion; and also the function of letting us make sure that this group of distinguished people is well informed about what we are doing and why we are doing it.

Mr. PRITTIE: Do you attend all meetings automatically or when you are invited.

Sir Hugh GREENE: All meetings automatically, yes.

Mr. MACDONALD (*Prince*): Are members of parliament, members of this advisory council?

Sir Hugh GREENE: Yes, they are. At the moment, out of between 50 and 60 members there are three Conservative M.P.s, three Labour M.P.s and one Liberal M.P.

Mr. JAMIESON: Is that intentional?

Sir Hugh GREENE: No.

Mr. JAMIESON: Or is it just a matter that happened that way.

Sir Hugh GREENE: It just happened that way and it is, I think, a very useful thing.

Mr. PRITTIE: By the way, Sir Hugh, how are they appointed?

Sir Hugh GREENE: The GAC are appointed by the corporation; that is, the membership is discussed by the Board of Governors and the invitation to be a member goes out from the Chairman of the Board of Governors.

Mr. PRITTIE: In my last question, I will go back to the quotation where you said:

> I was very interested once when talking to the Board of the CBC in Canada, that they thought of themselves as the trustees for parliament —which I think is a much less admirable thing than being trustees for the public.

I do not know if you can elaborate on that, but what is the difference which is drawn here.

Sir Hugh GREENE: Perhaps I should not have used the adjective "admirable". It was an occasion when I spoke to the Board of Directors of the CBC and I noticed it was they who were very much struck by the fact that I described the Board of Governors of the BBC as trustees for the public, trustees for the nation and that they thought of themselves as trustees for parliament. Having noticed their interest in this point, I think that I would say that there would appear to be a rather wider concept of trusteeship, than trusteeship to parliament.

Mr. PRITTIE: Thank you, Sir Hugh.

Mr. FAIRWEATHER: How are members appointed to the board? By what body are they selected and appointed?

Sir Hugh GREENE: The members of the board are appointed by the Queen in Council, a concept which would be equally clear to you here.

Mr. FAIRWEATHER: I am interested in the status of the board within the United Kingdom. I suppose it might be a bit delicate, but are they looked upon as leaders of the nation or representative of leaders?

Sir Hugh GREENE: That is a very difficult question, I think, to answer. We have been, in my experience, and I am here speaking sincerely and not for the record, very lucky in the type of person who has been appointed Governor of the BBC. They do tend to be leaders in their various fields; not all necessarily very well known to the public. Some of them, like the present Chairman, Lord Normanbrook, certainly are well known to the public; not all of them, but they are well known within the professions and fields of activity from which they have come.

Mr. FAIRWEATHER: With respect to the operational function of the corporation, do you yourself spend a good deal of time on this aspect?

Sir Hugh GREENE: The operational function? Could you define more clearly just what you mean by the operational function?

Mr. FAIRWEATHER: We have had a bit of discussion in this country about whether the head or the president, or whatever the chief officer of the corporation is, is knowledgeable in the field or otherwise, and I am just wondering. You, of course Sir Hugh, have had 20 years with the corporation, so you have some expertise.

Sir Hugh GREENE: Yes; well I would say, in my own case, that I am glad of a number of things in my past experience. One, I am very glad that I was a journalist before I came to the BBC. I am very glad that my experience in the BBC covered program experience and administrative experience. I think that my two years as director of administration taught me a great deal about the machinery and inner workings of the BBC which I should not have had—it would have made my present job more difficult to perform if I had not had that first.

Mr. FAIRWEATHER: I think in your answer you have helped me. With respect to the program function, some people in Canada feel there is a gap between producers and headquarters, so to speak; you yourself have not found this to be true in your case?

Sir Hugh GREENE: I do not think so. I also regard it as part of my function—this is a personal decision and is not necessarily the case under former directors general—I have regarded it as part of my function to be, in essence, a chief editor on the news and current affairs side, not in matters of detail, but in matters of major policy. I would say that there are three aspects of my job which I would regard as perhaps most important. One is the chief editor function, and I would not confine that only to news and current affairs; the other is finance, and the third is public relations. I think I would say that those three things cover what one spends most of one's time on.

Mr. FAIRWEATHER: I am very interested in the first of the three, the chief editorship. How do you exercise this role? For instance, in a program like the one mentioned by Mr. Prittie, the "War Game", I think it was, how soon were you privy, so to speak, to the fact that the production or the showing of this program might present a problem?

Sir Hugh GREENE: Oh, even before production had started. I saw it at the script stage because, you know, the people down the line are sensitive about some things which may cause public controversy, and see that one is aware of them at an early stage. I discussed it at that stage with the chairman, because it was clearly going to be a hot potato to handle, and we decided—with hindsight, whether we decided rightly I am not sure—to let the production go ahead and see what came of it. But there was no point in this whole chain of events in which I, and, through me, the chairman, was not involved.

Mr. PRITTIE: Will "Alice in Wonderland" be the same sort of thing?

Sir Hugh GREENE: Well "Alice in Wonderland" was never a problem, it was only built up into one by the newspapers. I knew that "Alice in Wonderland" was being made.

Mr. COWAN: The problem was purely fictitious then, having being built up by the newspapers?

Sir Hugh GREENE: That was a "no story," I mean it was a purely fictitious problem; I always knew we would have the last laugh.

Mr. FAIRWEATHER: I notice that from time to time in Britain, members of parliament put down notices, I think the term is. Is there any direct questioning of any minister, the Postmaster General or the Minister of Postal Services, about the contents of a particular program?

Sir Hugh GREENE: The Postmaster General is the minister who answers questions about broadcasting in the House of Commons. But, as I understand parliamentary procedure, the questions have to be put to the Postmaster General in terms of his actual powers. He has, of course, technical powers through the licensing of our use of particular frequencies and the placing of particular transmitters, in the program field, he has what has always been known as the reserve power, under, I think it is subparagraph 14 of clause 14 of the licensing agreement, under which he can veto any particular BBC program. The BBC would then have the right to say that he had done so. This is a reserve power which has never been used in connection with any particular program. But this power explains the form in which questions are put about programs, which is in the form of, "Will the Postmaster General stop the BBC from doing something". The Postmaster General then replies, in time honoured phraseology; "No, sir". It has been the policy of successive governments to leave these matters to the corporation.

Mr. FAIRWEATHER: We have had, Sir Hugh, a problem in this country getting across to our constituencies the fact that we are not, as members of parliament, censors. I suppose we will have to keep articulating this. But I am interested in regional programming. You say there are advisory councils throughout the United Kingdom?

Sir Hugh GREENE: Yes.

Mr. FAIRWEATHER: Is there a good deal of production outside the greater London area?

Sir Hugh GREENE: Yes, there is quite a lot of production outside the greater London area. Perhaps I might take first Scotland and Wales, which are in a special position. Scotland and Wales have National Broadcasting Councils which enjoy, under the charter, executive authority. They are, in a way, Boards of Governors for that particular area, Scotland and Wales, in relation to the programs broadcast in their own home service in radio and in television—for Scotland and Wales only. They can decide what programs they will opt out of, as we put it, and they do have authority over the programs which they put in place of the national programs.

The amount of programming, of course, which they can do separately in Scotland and Wales depends upon public acceptability of what is put out instead of the national program; they must be alive to public opinion, and also have regard to the amount of finance provided. But Scotland and Wales, because of their differing cultures, do have more programming of their own than the English regions.

Wales, of course, also has the additional problem of a second language, which only exists in the case of Scotland to a minor extent. Then there is North-

ern Ireland which has a national governor, but their council has remained purely advisory, though under the charter, the government of Northern-Ireland would have the power to ask that it should be made into a National Broadcasting Council. The government of Northern Ireland has always been satisfied with the present arrangement and has never done so. Then there are regional advisory councils in the North of England, the midlands and the west, which, for their particular areas, act very much in the way that the General Advisory Council does on a national basis.

Mr. FAIRWEATHER: The entire United Kingdom is on the same time zone, is it not?

Sir Hugh GREENE: Yes, that is a great advantage.

Mr. FAIRWEATHER: Also the English channel and language insulate the British people from any invasion of European programs?

Sir Hugh GREENE: Oh no, not entirely. For instance, Radio Luxembourg, a commercial station, has always enjoyed quite a considerable audience in the United Kingdom, and more recently we have had certain sea borne transmitter stations, the so called pirates, broadcasting in radio. In the case of television we are, as you say, insulated.

Mr. FAIRWEATHER: We had one of the pirates appear on a program the other day, a very interesting fellow.

Sir Hugh GREENE: Yes, I have the tape.

Mr. FAIRWEATHER: You have the tape?

Sir Hugh GREENE: Yes.

Mr. FAIRWEATHER: Finally, what about colour television? Is there colour television in Britain and how much of your annual budget is used in this connection?

Sir Hugh GREENE: There is no colour television yet. The government decision has been that colour television should start on the 625 line system in UHF, which means, in effect, on BBC-2 only to begin with, towards the end of this year. We have not yet got an actual target date. The question of colour on BBC-1 and ITV is a matter on which a decision is still outstanding. All our forward budgeting has allowed for some time for the introduction of colour; and the construction of new studios, the construction of transmitters, has allowed for the introduction of colour. And when we start colour towards the end of this year BBC-2 will be within reach of about 75 per cent of the population.

Mr. FAIRWEATHER: Thank you Mr. Chairman.

Mr. PELLETIER: To come back to the relationship between the chairman of the board and the Director General, I would like to ask you whether the Director General takes more or less the attitude of, let us say, a deputy minister who is not responsible for the decisions but who can always say that the decisions were taken by the board, and that he was just carrying them out? Or does he take more initiative or does he defend the policy of the board as if it was his? I do not know if my question is clear enough.

Sir Hugh GREENE: I think it is clear. No, I would not think that a comparison with a ministerial situation really stands up. The Director General of the BBC is the chief executive, he is, therefore, the man who is seen to be doing things. But he will be making his decisions on important matters after consulation, sometimes with the board, and sometimes with the chairman. But he is, in effect, seen to be the man making the decisions, and it is very seldom that we state in public that something is a decision of the board as such. We will say the BBC has decided, because the board is part of the BBC, it is not an outside controlling authority in any way. It is, in essence, the final authority, including the final editorial authority, within the BBC, and is, I think, seen by the staff of the BBC as such.

Mr. PELLETIER: In other terms, the Director General would never be in a position to use the board as—the English word does not come to my *un écran* between public opinion or between parliament and himself.

Sir Hugh GREENE: He might be, but I think he would be very foolish to do so, because it is most important that the board and the Director General should always be seen to be working in concert. If the Director General started using the board as a sort of alibi for his decisions, I would think his days might well be numbered.

Mr. PELLETIER: Can you describe to us, in a few words, if that is possible, the line of authority in programming, using current affairs, maybe, as the example—how the idea of the program originates, with whom, who has authority, through position, and how it comes up to you eventually and in what circumstances?

Sir Hugh GREENE: Certainly. Perhaps if you will allow me I could make it a little bit wider than current affairs and begin by describing the structure of the BBC alone, by itself, because I think it is necessary in order to explain the situation in current affairs. I hope that is all right, Mr. Chairman.

Immediately below my level in the BBC are the directors and together we form the board of management. There is a Director of Television; a Director of Sound Broadcasting; a Director of External Services; a Director of Engineering; a Director of Administration and the Chief Assistant to the Director General who is not the Director General's deputy but assists me particularly in political matters, relations with ministers and parliamentarians, and over the whole field of public relations.

As the Chairman mentioned in introducing me, for about 18 months before I was in this job I had the title of Director of News and Current Affairs, and I sat on the BBC Board of Management in that capacity. There had not been a person doing that job in exactly that way before, and I decided when I became Director General that as I was an old journalist there was no need for that post to be filled. But it is my authority, and beneath me in the hierarchy, there is an Editor of News and Current Affairs who is, you might say, just below the Board of Management level. So he would be invited to attend Board of Management meetings when there was an important news and current affairs subject to discuss. The Editor of News and Current Affairs has under him the staff which is concerned with news in the purest sense: news programs, news bulletins. He also

takes policy responsibility on my behalf, for current affairs programs in television and sound, the staff of which are in departments responsible to the Directors of Television and Sound Broadcasting.

Now, there are possibilities in such a structure, of course, of disagreement and confusion. In fact, they do not arise because one has happened to have good, sensible people in these posts. But the chain of responsibility in news and current affairs goes down through me, aided also by my Chief Assistant, through the Editor, News and Current Affairs, and the three of us, in a way, form—I should be careful about using this word but I will—a sort of troika. Anyone in the news and current affairs field will say that one of us would be available at any time to give a decision in this field and that one of the three of us speaks for all three.

Going further down, you have people responsible for sound news and an Editor, Television News, and there is a Head of Current Affairs, Television, and a Head of Current Affairs, Sound. Now, in the case of these heads of current affairs, television and sound, they head their own department or staff producing the current affairs program but I have also given instructions that they, as the main authorities within television and sound on current affairs matters, must be consulted when other departments are producing a program which falls in any way within the current affairs field or deals with a sensitive current affairs subject.

All the top people in these departments, with somebody holding a watching brief, too, from External Services, meet once a week under the chairmanship of the Editor, News and Current Affairs, and the top few also have a weekly meeting with me when I am available or with Oliver Whitley, my Chief Assistant. At that meeting we discuss the most important and sensitive policy problems. I think in that way one does achieve, often very informally,—I am not one for thinking that problems are always passed up and down through a particular hierarchical machinery—a pretty good movement of information and decision downwards and information upwards.

You also asked about the point at which a program might be conceived. Well that will very much differ. On the whole a program is more likely to be conceived at producer level that at the Director General level, but I would not say that there have been no ideas produced at the Director General level or the Director level. So, there is, in fact, a pretty good movement of ideas and information upwards, downwards and, of course, sideways between radio and television. I think it is extremely important, that radio and television should be under common editorial authority in this way, and that the External Services, with their very great expertise on particular matters of foreign importance, should also be involved.

Mr. JAMIESON: If you will permit me, by External Services you mean what we would normally call the overseas services of the BBC?

Sir Hugh GREENE: That is right; we call them external because we divide it up into two parts, European services and overseas services; overseas being the rest of the world.

Mr. PELLETIER: This might be a very general question but I think it is of interest to us. Within this framework, whenever there is an outcry over some

BBC program by the public, what takes place within the BBC, between parliament and the BBC, and between the public and the BBC? What I mean is, if you have in mind one of these incidents in recent BBC history, in other terms, how do you deal with it and what are the forces that come into play?

Sir Hugh GREENE: One force that comes into play is that members of the public, in addition to writing direct to the BBC about something they do not like,—of course, we all know that people write more about things they do not like than things they do like—some will write to their M.P.'s. The M.P.'s will then write asking for our views on the matter complained of and I always personally answer—at any rate, sign, and I do not sign letters I have not carefully studied—letter to M.P.'s. They always go from me except in my absence when they will go from my Chief Assistant. So, I am seen by M.P.s to be taking the responsibility for what the BBC says in answer to them.

Parliament itself, as parliament, does not tend very often to get involved except when there is the occasional debate on broadcasting methods, which is not very frequent. Of course, following something like the Pilkington inquiry into future broadcasting and the White Papers which followed there were a number of debates in parliament. Then quite a long period may expire before there is another debate in parliament on broadcasting.

Mr. PRITTIE: May I ask here has there been a debate on the most recent White Paper issued in December?

Sir HUGH GREENE: Not yet, but one would expect that there would be such a debate between now and Easter, in the normal course of events.

Mr. PELLETIER: I do not know if this is a fair question but I read in the White Paper that government subvention would be liable to expose the corporation to financial control in such detail as would prove incompatible with the BBC's independence. The money would, of course, have to be found from general taxation. Do you share that opinion?

Sir HUGH GREENE: Yes, very strongly, and you will find one of the most interesting and strongest expressions of this view in the short memorandum provided by the Treasury to the Pilkington committee which is published in one of the volumes of evidence to the Pilkington committee. It is a very good statement of why, in the view of the Treasury itself, a government subvention would involve Treasury control.

Mr. PELLETIER: Thank you very much.

Mr. BRAND: Mr. Chairman, I would like to pursue a little further, if I may, with Sir Hugh, the relationship of parliament to the British Broadcasting Corporation. As you probably know, sir, one of our most important problems in this Committee and in this country is the relationship that the CBC has to parliament. This is a blurred definition which has never been satisfactorily defined at any time and, in my opinion, at least, is one of the most important problems we have before us.

Would you, sir, in your capacity as Director General ever appear before such a committee as this of the British house?

Sir HUGH GREENE: Well, the fact is that the British house does not have, except in the field of financial control of departments of state, committees like this. The individual parties have committees, a broadcasting and information committee, or what have you. I am invited from time to time to appear before such party committees but there is no parliamentary committee.

Mr. BRAND: Would you like the idea of an inquisition occurring every so often such as occurs in this country?

Sir HUGH GREENE: Well, you know I feel that one of the things, if I may say so, in which the BBC is most lucky is in the infrequency of inquiries to which they are subjected. There will be a wide-ranging inquiry every so often. The last one was the Pilkington inquiry; but that was not made by a parliamentary committee and no MPs sat on that committee. That having been done, the committee recommended that the BBC should be given a 12-year charter. That runs from July 31, 1964 to July 31, 1976. So one would expect that the next inquiry into our activities would be starting about 1972 or 1973. This is, of course, a decision of parliament. All power rests in the end in parliament, but it is a decision of parliament that this is the way the thing should be run, and the decision, of course, of successive governments, to let us run our own affairs over a long period without constant inquiry.

Mr. BRAND: Do you find that this has proven to be a very satisfactory method of handling the BBC?

Sir HUGH GREENE: I would say this has proven to be a very good method of handling the BBC both from the point of view of the BBC and probably, I should think because it has continued to exist for many years, from the point of view of parliament.

Mr. BRAND: This would include, I suppose, the Pilkington inquiry or the recommendations that came out of this, financial arrangements, or the manner in which you handle the finances of the corporation?

Sir HUGH GREENE: Yes.

Mr. BRAND: Do you have complete autonomy. You do not have to go back every year to parliament and ask for money?

Sir HUGH GREENE: No. One of the recommendations of the Pilkington committee was that the BBC should continue to be financed out of licence revenue. That recommendation has been accepted and you will see references to it in the White Paper produced by the government just before Christmas. So we do have autonomy in our financial operations. We can plan, for that reason, many years ahead and we do not have to go to parliament for approval of any particular form of expenditure, whether capital or revenue.

Mr. BRAND: These licences, I notice on page 4 of the White Paper you mentioned, seem to be licences also of receivers; is this correct?

Sir Hugh GREENE: That is right. It is a licence for the maintenance of a receiver. It is not in law attached in any way to the BBC. It is a decision of government that this money should accrue to BBC.

Mr. BRAND: Does this give you sufficient money to handle the BBC?

Sir HUGH GREENE: Well, we have been in difficult straits from time to time. We are, at the moment, in fairly difficult straits. As you will see, the White Paper, without any guarantee, suggests that we can get through till 1968 without a further increase in the licence. This statement was made after consultation with the BBC and we are in full accord with the government's view on this matter.

Mr. BRAND: So what would happen then? Your board of governors would go to the government and say: we are running out of money, could you increase the fee or whatever you wish to do as parliament?

Sir HUGH GREENE: As a matter of fact the government says this.

This is one matter on which we are in constant touch with them. Successive governments have know about our need for more money and there would not in fact be any need for any further formal application for an increase in the present combined licence from £5 to £6. The government knows of our needs.

Mr. BRAND: Does this give you any money for a slush fund, if you can call it that? Do you have any money available if you wish to go into certain production? As you probably know, we have a difficulty in the CBC, if they want to produce a program which may be saleable abroad. In the last Committee meeting we had an example of a very excellent series which was produced here at a cost of $65,000 in 16 millimetre black and white, but not sufficient money in the CBC to do it in 35 millimetre colour, which would be saleable abroad, the United States or Britain for that matter. Do you have moneys available for this type of thing so you can become competitive in the world market?

Sir Hugh GREENE: Oh, yes; in the field of black and white we certainly are competitive in the world market. I hope once we have started colour programs —which I described earlier—towards the end of this year that we shall become competitive in the colour market as well. We do quite definitely think in terms first of our obligation to our audience at home, and then we will try to sell that product abroad. We did make one or two experiments—it lies fully within our own power—in what one might call a rather mid-Altantic film series a few years ago. The results were nothing to be proud of, but the financial results were not too bad, and we came to the conclusion that really this is not at the moment the right field of activity for us. We are selling very considerably abroad and at a profit.

Mr. BRAND: Would you say that the Board of Governors then would set the policy for the BBC and use the Director General to carry out the management responsibilities as in effect two separate units, although there is co-operation?

Sir HUGH GREENE: Sorry.

Mr. BRAND: Would the Board of Governors of the BBC set the policy of programming and everything of this nature for the BBC and then as Director General you would carry out the operations, and you are in effect two separate bodies, in that you have a Chairman of the Board of Governors and you are Director General. As you know, our present President is also President of the Board of Governors, which is a dual function.

Sir HUGH GREENE: It is essentially separate, and how policy gets established is always very difficult to define. It may be on the recommendation from the Director General that a certain policy is established. It may be on the recommendation from the Chairman or members of the board, but only after the fullest discussion, and the Director General is always present at meetings of the board. The only occasion he is ever asked to leave a meeting of the board is when something like his own salary or future is discussed.

Mr. BRAND: You are not a member of the Board of Governors?

Sir HUGH GREENE: Not a member, but always present. One does not have —as I think I said earlier—the impression of a separation between the Board of Governors of the BBC and the executive. We work very much hand in hand.

Mr. BRAND: But they are separate functions except that you co-operate?

Sir HUGH GREENE: That is right.

Mr. BRAND: You mentioned production centres earlier. Is most of your production done in London?

Sir HUGH GREENE: Yes, by far the great majority is done in London.

Mr. BRAND: You are familiar with the difficulty we have in Canada with two major production centres?

Sir HUGH GREENE: Yes.

Mr. BRAND: This poses quite a different problem here in many ways, I would think, from the BBC.

Sir HUGH GREENE: Yes, that is a problem which we do not have because London is both the centre of production and the centre of government.

Mr. BRAND: The broadcasting hours are fairly carefully controlled. There was a suggestion here that perhaps one way to help us would be to limit our broadcasting hours. There are many arguments for and against this. This works out in Britain, I presume. Does it cover all networks, ITV, BBC-1 and BBC-2 and so forth?

Sir Hugh GREENE: Yes. Broadcasting hours are determined by the Postmaster General, and the last White Paper says that he will continue to exercise those powers. I forget the exact phrasing, but in view of the general social importance of television, I think was the general sense of it. It says that in the government's view the amount of broadcasting time will remain a matter of sufficient social importance to require that the Postmaster General should continue to hold and exercise his present powers of control, nor does the government consider that any general increase in broadcasting hours could be justified for the present.

Mr. BRAND: You mentioned the producer and artist revolts, or some problems you had had. Do you have any threats of strikes from your producers or artists such as we have in this country?

Sir HUGH GREENE: We have never had any threat of strike from the producers. There was once a strike by an outside union—the musicians union

—in the case of the BBC, and I think in the case of ITV there was an Equity strike at one time—the artists' union. There has been no strike of production staff of the BBC or any talk of one.

Mr. BRAND: Who would handle such a problem, you as Director General?

Sir HUGH GREENE: In the first instance, any sort of strike situation—and I am thinking of ones outside the BBC, because I cannot think that it is realistic to thing of that happening inside the BBC—would be handled by our administrative staff, under Controller, Staff Administration; above him the Director of Administration and the Director General would finally come into it on the BBC side, if necessary.

Mr. BRAND: You think then that it would be altogether salutary to have a broadcasting set-up which has complete autonomy, with a long-term mandate—if that is the right word—both financially and otherwise?

Sir HUGH GREENE: Yes.

Mr. BRAND: Then you could operate completely independently to a large degree from arbitrary parliamentary control?

Sir HUGH GREENE: Yes, I feel that very strongly, subject to periodical review at fairly long intervals, because I think the sort of thing that we have had in the Pilkington review is a very healthy thing for a broadcasting organization, if it is done at reasonable intervals. It enables you not only to be looked at from outside, but it forces you to look at yourself and that is a very healthy thing to be forced to do.

Mr. BRAND: Would you like to continue as Director General of the BBC, if you were forced every year to appear before a parliamentary committee and go hat in hand to the government for money yearly. Would you like this?

Sir HUGH GREENE: I certainly would not like it, and I would admire the strength of mind and constitution of anyone who had to do it.

Mr. BRAND: Do you think it would have a detrimental effect on the BBC as it is now constituted?

Sir HUGH GREENE: Yes, I do, and I think it would have a detrimental effect too from the point of view of the amount of time of senior staff which must inevitably be taken up by such inquiries. I know that from my own experience during the Pilkington period. For a year or so it took up a very great deal of one's time. To have that sort of situation as a permanency cannot, I think, be good for the health of a broadcasting organization and its senior staff, who should be doing other things and getting on with their broadcasting job.

Mr. BRAND: Would it be fair to ask you whether you think this is part of the problem we have with the CBC?

Sir HUGH GREENE: Looking at it from outside, I think it might be fair to say "yes".

Mr. BRAND: Thank you very much.

Mr. MUNRO: I would like to ask a supplementary. It is refreshing for us to hear such assurance on your part that in the context it would be almost heard of

for the BBC to have a strike as far as their producers and so on are concerned. What is the basis for this type of confidence on your part?

Sir HUGH GREENE: Partly history; this has never happened or been threatened to happen, and I think it depends upon creating the right climate for producers to work in reasonable freedom, while still not abdicating the functions of management in editorial control, which must always, in the end, take a higher place than the freedom of a producer.

Mr. MUNRO: Then the producers are inured to the situation where they do not have any type of resentment at all and do recognize the editorial supremacy of yourself and your colleagues at the top, with respect to editorial policy and what goes on in their shows.

Sir HUGH GREENE: I think they do. There can, of course, always be argument and I am all in favour of argument and discussion and a great degree of what one might almost call Marxist self-criticism inside the BBC, with people criticizing each other's programs constantly. I think that sort of situation is very healthy, but there comes a point when a decision is made and I think that because of the process of discussion and self-criticism which does go on all the time, when the decision is made, even if it is thought to be a wrong decision—and of course it will be thought to be a wrong decision sometimes—it is normally accepted without protest. There will, of course, be the occasion, as there was with the producer of the War Game, when he decided, as a result of that decision, that he would rather go and work in the film industry where, bless him, I hope at times he will have even greater freedom, but I doubt it. But that was an individual case and one entirely respects him for making the decision he did make.

The CHAIRMAN: May I ask, Sir Hugh, whether you would consult personally with that producer on that particular problem?

Sir HUGH GREENE: I did not in this case. In other cases I might have done.

Mr. JAMIESON: Sir Hugh, following along with something Dr. Brand said a moment ago, and your very clear exposition of the degree of freedom which the BBC enjoys, I put it to you that this is possible only because of the licence fee. With any other form of financing you could not have that separation from some form of parliamentary or government control.

Sir HUGH GREENE: I entirely agree with you. I think the licence fee system is the rock on which the BBC independence rests.

Mr. JAMIESON: The only conclusion possible from that is that Canada can only have that system if we are prepared to introduce a licence fee?

Sir HUGH GREENE: I suppose there is a partial half way house in a form of long term government financing of the CBC and with a decision by government that it will not, in that long term, interfere with the operations of the CBC. I think it is more difficult, but I would not have thought it was absolutely impossible.

Mr. JAMIESON: On the structure of the BBC charter, what kind of a document is it exactly? I do not ask you to give us the full details, but is there, anywhere in it, a point of reference from parliament, or from the authority

which granted the charter, saying what the BBC should or should not do, its aims, its objectives and that kind of thing?

Sir HUGH GREENE: There is a section of the charter, headed "Objects of the Corporation", but the interesting thing is that that section of the charter does not contain anything about programs. The only point at which the programming activities of the BBC are mentioned is in the preamble to the charter where it says:

> Whereas, in view of the widespread interest which is thereby and by other evidences shown to be taken by Our Peoples in the broadcasting services, and of the great value of such services as means of disseminating information, education and entertainment. We believe it to be in the interests of Our Peoples in Our United Kingdom and elsewhere within the British Commonwealth of Nations that the corporation should continue to provide broadcasting services pursuant to such licenses and agreements in that behalf as Our Postmaster General may from time to time grant to and make with the Corporation.

That mention there of information, education and entertainment is the only point in the charter where reference is actually made to the nature of our programming.

Mr. JAMIESON: Has the BBC itself enunciated in any way, or set down, a sort of guide line for itself? If somebody were to say to you, "what are the principles under which the BBC operates?" have you, in any sense, articulated these?

Sir HUGH GREENE: They have been articulated from time to time on individual occasions by the Chairman of the BBC, or the Director General of the BBC, or senior staff of the BBC. There is not anything that you might call a bible on the subject. To that extent I think we work in a very flexible system.

Mr. JAMIESON: This is by design, is it, Sir Hugh?

Sir HUGH GREENE: I would say it is by design.

There may be one thing, which, perhaps, I should draw attention to, and that is that there is an exchange of memoranda, which is a published document, or is available in the Library of the House of Commons, between the Postmaster General and the Chairman of the BBC, in which the Chairman of the BBC, in a letter to the Postmaster General, states in very broad terms the objectives of the BBC and accepts certain basic principles, such as, our duty on impartiality, having no editorial opinion, and treating controversial subjects with due care, and so on. That is not in one of our instruments. It is in the form of an exchange of correspondence between the Chairman and the Postmaster General.

Mr. JAMIESON: Sir Hugh, just to clarify the financing again, are your external or overseas services financed out of the licence fees?

Sir HUGH GREENE: No, they are not. External Services are financed by an annual government grant in aid, on the basis of what we call extra definable costs. That is to say that out of licence revenue we pay for anything that we would be doing even if the External Services did not exist. So that in addition to the direct costs of the External Services there are certain shared services—ad-

ministrative and engineering, and what have you—where we divide off, as best we can, what is the External Services share, and that falls under the grant in aid.

Mr. JAMIESON: And this does not create any conflict with regard to your independence, or anything of this nature.

Sir HUGH GREENE: No. The position is that certain government departments prescribe the languages in which we shall broadcast and the amount of time for which we shall broadcast in those languages. The content of the broadcasts is a matter for the BBC, and, therefore, the Chairman of the Board of Governors and the Director General are as much responsible for the External Services as they are for any other part of the BBC with the exception of this lesser degree of financial independence. Major capital expenditure has to be approved by the Treasury.

Mr. JAMIESON: On the purely technical side of the BBC's operations, that is, within Great Britain, I take it that you are not required to seek anyone's permission if, for example, you want to extend your service through the setting up of a new region, or an additional transmitter, and that kind of thing?

Sir HUGH GREENE: Only, from a technical point of view, that the Postmaster General, as the licensing authority, has to approve the use of frequencies and the siting of transmitters.

Mr. JAMIESON: But purely and simply from the standpoint of their technical acceptability? In other words, if you were to feel, as a Board of the BBC, or in your own personal capacity, that you needed extra stations, shall we say, in Scotland, or in the Midlands somewhere, you would have complete freedom to go ahead with that provided you could meet the capital expenditures required?

Sir HUGH GREENE: That is right. We would put to the Postmaster General, for his approval on technical grounds, all our plans for increasing the number of transmitters and so on.

If you are thinking in program terms, that we might wish to start up new programs for Yorkshire, or something like that, from existing transmitters, that is purely a matter for us.

Mr. JAMIESON: Sir Hugh, I am going to ask you a question which I am not sure you can answer because it really is hypothetical. Knowing the Canadian situation and the tremendous amount of what we might call "spill-over" from the United States, do you think that the British system of broadcasting could function in anything like its present form if you had that kind of situation?

Sir Hugh GREENE: That is a very difficult question. It depends so much on the nature of public taste. One factor now—and I am thinking here, Mr. Jamieson, of something you said in your book, "The Troubled Air" is that American programs are not as popular in the United Kingdom as they used to be. The most popular programs on both—I think I can speak for the ITV as well as the BBC—tend nowadays to be British programs. To that extent, if we had America up against us, we would have some advantage perhaps in that British programs were more popular.

Mr. JAMIESON: You have had a chance to develop this.

Sir Hugh GREENE: We have had a chance to develop this.

I cannot see why, in the long run, this might not also be the case in Canada and why a BBC system should not be able to work here, particularly if there was the freedom of programming which derives from our not having to worry about the needs of advertising.

Mr. JAMIESON: That brings me to my next point. There has been, as I am sure you are aware—indeed, you were in the middle of some of it—an argument, or a contention, in Britain that the BBC had, I suppose it is proper to say, reduced its standards, or that its general nature had changed, as a result of the introduction of independent television. I will not ask you if that is so, but what is your reply to that kind of criticism?

Sir HUGH GREENE: Well, it is awfully difficult to be sure about how to reply to a criticism like that. Some people would say that our standard of programs had declined as a result of competition; some people would say that the standard of our programs had improved because of competition. Both of these statements, I think, cannot be true, but they are constantly being made almost in the same breath. Of course, programs will develop over the years whether they are in competition or not, with greater professionalism and expertise.

We tried to answer this question to the best of our ability at the time of the Pilkington Committee, searching our consciences. We came to the conclusion that in certain areas of programming, basically news and light entertainment, probably we had benefited from competition, and that the BBC programs were better for it. We came to the conclusion that in other areas of programming it had probably made no difference.

I would not, myself, say, nowadays, that we were the worse because of competition in the field of television. On the whole it has been a stimulus.

Mr. JAMIESON: You have been very adamant, in your public pronouncements, with regard to advertising on the BBC. I may be paragraphing but I believe I saw somewhere a comment from you that you simply would not stay on in your post if there were to be advertising.

Sir HUGH GREENE: I do not think I ever made that statement in quite such firm terms, but I think it would be very difficult, after things I have said in public, for one to do so, as you say.

Mr. JAMIESON: But, you are—

Mr. FAIRWEATHER: I wonder, Mr. Jamieson, if you would allow one supplementary question here about competition?

Do you worry about ratings, or do you try to balance or match programs with the ITV?

Sir HUGH GREENE: We do worry to some extent about ratings, yes. The ITV was definitely set up by Parliament to compete with the BBC, so this is a competitive situation approved by Parliament. If you have a competitive situation I think you are pretty weak if you do not compete.

There is another element in this. Back in the late 1950's, ITV had at one time pretty well 75 per cent of the audience to 25 per cent for the BBC. It seemed to me at the time of the Pilkington Inquiry that in the long run we

should be in a very dangerous position, from the point of view of the acceptability of the licence fees, if we did not correct this situation, and I felt that we should correct it to the extent of getting up to 50-50. Well, we did that in time, and we are now in that situation, roughly speaking, and I am certainly satisfied with that sort of relativity.

Mr. JAMIESON: Sir Hugh, a question again on the structure and the relationship between the Board of Governors, as I believe they are called, and you, as Director General. I was interested in a comment in a speech by your Chairman when, on a specific case of an appearance by Prime Minister Smith of Rhodesia, he said that he personally had taken the responsibility and had in fact ordered that that program not be shown, or that it be withdrawn, or something of that nature. I was interested in the fact that he said that he personally had both the responsibility and authority to do this. I do not know how to phrase this so that it will not be embarrassing, but is this true?

Sir Hugh GREENE: This is absolutely true. The Board of Governors has complete power.

Mr. JAMIESON: But that is the Board as a whole.

Sir Hugh GREENE: And the Chairman has, in the absence of the Board. This is specifically laid down. The Chairman has the authority.

This was a rare case of the Chairman acting, perfectly properly and constitutionally, as the sort of super chief editor. I have described myself as the chief editor of the BBC. Well, I do have, in the Chairman, someone who has greater authority than myself, when necessary. I do not mean to imply that I did not agree with this decision; but he has that power. Some newspapers were critical of him at the time and suggested that he was exceeding his authority, but he was not.

Mr. JAMIESON: I do not know if this is in the charter, but has the Chairman of your Board of Governors the personal and independent and individual authority to make any kind of a decision? Is there any limitation on the extent to which he can go?

Sir Hugh GREENE: There is, in fact, no constitutional limitation, because in legal terms the Board of Governors is the Corporation. Therefore, this is a question, you know, of the wise exercise of a power that undoubtedly exists.

Mr. JAMIESON: I am also interested in the point that Mr. Munro touched on. I take it that within the BBC there is not the same sensitivity with regard to the instructions, if you like, or the decisions of the higher hierarchy, as you have described it, when it comes to vetoing or withdrawing a program? In other words, the creative element within the Corporation, generally accepts that that is your right, and there are no serious arguments about it?

Sir Hugh GREENE: There may be, as I have said, arguments before a decision has been reached, but when the decision is made I would say that that decision is normally accepted without further cavil.

Mr. JAMIESON: What is the relationship between ITV, or any of its component parts, and the BBC at the present time? As I understand the structure in Britain, there is no bridge of any kind between the two. Are there ever any areas

of conflict other than the normal competitive things that you have outlined, even for example, in the technical sense?

Sir Hugh GREENE: I would say that nowadays the areas of conflict, to use that word, are pretty well confined to the competitive area.

In the technical field we are working more and more together. We are, for instance, sharing sites in the development of UHF television. Our engineers, on the whole, I think, work very well together. There will be differences of opinion, of course. There have been differences of opinion about the way in which colour should be introduced. But on the whole, nowadays, they tend to be fairly good-tempered differences.

I think there is definitely a very strong competitive attitude so far as programs are concerned. But there are certain bridges. In the educational field and the field of religious broadcasting we do not feel ourselves in competition to the same extent as in other areas. There is certain common membership of advisory committees on the educational side, and in the case of religious broadcasting the ITA-ITV make use of the same religious advisory committee as we do, though they have separate sessions with it.

Mr. JAMIESON: Is there any attempt at all for consultation with regard to making programming complementary in terms of type and quality and so on. In other words, so that the two schedules in some way or other do not offer the same things at the same time?

Sir Hugh GREENE: There have been, at times, approaches from individual program companies about that, but nothing has come of them because, well, we are there to compete and that is the will of parliament, and it is really a matter of practical impossibility to co-ordinate programming between the BBC and a variety of program companies, even if one is thinking of the big four program companies. It would not work. I mean, ITV is not necessarily broadcasting the same programs at the same time all round the country, so even if you made an arrangement for London it would not necessarily hold good for the North. And it is difficult enough, as we know very well from years of running three radio networks, and now from several years of running two television networks, it is difficult enough to have complementary programming within your own house. Particularly in television so many things are involved, such as the use of studios, the use of equipment, the use of outside broadcast equipment, and so on, that all the time of those concerned is taken up making it possible to have sensible arrangements inside our own house.

Mr. JAMIESON: Do you think that there would be any less difficulty if there were some sort of bridging board that in fact sat down and tried to tell each group how to sort this out.

Sir HUGH GREENE: No, I do not; I think there would be chaos.

Mr. JAMIESON: I think I am in total agreement on that point.

On the question of program mix, within the radio or sound service, as you describe it, you have a light, home and third program?

Sir HUGH GREENE: Yes.

Mr. JAMIESON: What was the rationale behind that, or perhaps I will put it this way: do you find that you cannot mix within a single service the wide extremes in terms of programming? Has that been your experience?

Sir HUGH GREENE: This is an awfully difficult one, because it is difficult, too, to justify the fact that radio has adopted a different pattern from television; in our two television networks we have not tried to have, let us say, a home and a light. This is how it has grown up over the years in radio. I think it is perhaps possible to produce justification of it particularly in radio, because there are people whose radio needs, are, let us say, served by a continuous service of popular music, or by a continuous service of serious music, and you do not want a break of the mood, or the need to switch over to another channel. I think that the psychology of the listener is, in that way, perhaps rather different from the psychology of the television viewer.

Mr. JAMIESON: In other words, if I am interpreting you correctly, there is some validity in the claim that in radio people listen to stations rather than to programs, and in television they look at programs rather than being addicted to a particular station.

Sir HUGH GREENE: I would agree with you.

Mr. JAMIESON: I have one or two more if my colleagues will permit. Political broadcasting; is there any legislation dealing with political broadcasting, that is, outside of broadcasting legislation itself. How is political broadcasting covered in Britain?

Sir Hugh GREENE: Are you thinking in terms of the broadcasts done by the political parties themselves?

Mr. JAMIESON: That would be the more important part of it with regard to my present line of questioning, yes.

Sir HUGH GREENE: No there is nothing laid down in the BBC instruments—its charter or licence—about the system of party political broadcasts, although there was in one of the letters between the Chairman and the Postmaster General, to which I have referred.

The position about party political broadcasts is that they are based on an offer of time by the BBC. There is an annual meeting between the broadcasting authorities and the leaders of the political parties, with the Leader of the House taking the chair and the Leader of the Opposition, the Leader of the Liberal party and their whips also present, and the BBC makes an offer of time in television and radio, in the case of television, after consultation with the ITA. Then there is a discussion. Perhaps we are offering less than the parties would like, or there are changes that the parties do not like. It is very much of an informal meeting, not a public meeting, and the results of this meeting, you know, tend to be the results of discussion, which you might call bargaining—give-and-take.

Mr. JAMIESON: Well, I presume that there must be something in Britain comparable to our Canada Elections Act, which...

Sir Hugh GREENE: This is the annual series of party political broadcasts.

Mr. JAMIESON: But in election campaigns, and so on, is there any legislation in Britain which limits in any way the uses, or the techniques that can be employed, in political broadcasting.

Sir HUGH GREENE: No, not quite in those terms. There is an act called The Representation of the People Act which has some rather awkward clauses relating to the incurring of expenses by candidates for promoting their candidature. This Act, I think, dates from 1948-1949, at any rate, in the late forties, when television and sound broadcasting were not as important in this field as they are now; the press is given a specific exemption under these clauses of The Representation of the People Act. This does affect the way in which we can deal, particularly, with broadcasting within an individual constituency. We have to see, within an individual constituency, that all candidates get more or less equal coverage in time.

This is a lawyer's interpretation of the Act. It is not laid down in so many words. I mean broadcasting is not mentioned there.

In other ways the amount of broadcasting on television and radio before an election is regulated in the same way as the annual series of party political broadcasts, at a meeting between the party leaders and the broadcasting authorities.

Mr. JAMIESON: For instance, we have a stipulation against dramatised political broadcasting. In Britain there is no legal prohibition of that?

Sir HUGH GREENE: There is no legal prohibition of that.

Mr. JAMIESON: One final question, Sir Hugh. You mentioned, and I was most interested in this comment of yours, that when you are producing programming, you feel that your first responsibility is as an organization broadcasting to the people of Britain; so that in any of the content or character of a programme this would be your primary concern?

Sir HUGH GREENE: Yes; in our domestic services.

Mr. JAMIESON: Then I take it that, as a result of this, if I understood you correctly, there is quite a good deal of your programming which would not be available for sale because those characteristics would not be appealing elsewhere. Is this true?

Sir Hugh GREENE: That would be true. It is surprising how often things that one feels would not be very attractive necessarily in other countries, are. I mean, who would have expected, to mention an old thing in the field of radio, that "The Archers" would be so popular here, even although not conceived of in Canada. Therefore one often has a pleasant surprise. However, our prime responsibility is certainly to the people who pay the licence fee.

Mr. JAMIESON: You do not produce with the idea of an outside sale, in other words?

Sir HUGH GREENE: Well, I think we did at one time. There is nothing to stop our doing that. We might again, but at the moment, except for things under the auspices of our External Services, where there is special production of course, not only for transmitting from the United Kingdom, but also in recorded form for use overseas—I have mentioned English by radio and English by television as

two examples—except for that there is, at the moment, I would think, in the field of television, nothing that we are doing in which we are thinking primarily of sales rather than of the home audience.

Mr. JAMIESON: Thank you very much. You have been very helpful.

Mr. HYMMEN: Sir Hugh, you seem to be doing extremely well in this inquisition, and I believe you are throughly enjoying it. I have a couple of questions which I do not believe have been touched on.

First of all, our parliamentary system is based on the system at Westminster, and I am trying to get a parallel here. In the United Kingdom, and also in Australia, the minister responsible for broadcasting is the postmaster general. Does the postmaster general in the United Kingdom have responsibilities other than those of our postmaster general? In other words, do you have a ministry of Transport?

Sir Hugh GREENE: We have a Ministry of Transport, yes. The postmaster general is responsible for posts and telegraphs.

Mr. HYMMEN: You are aware that our licensing is arranged through the BBG and in co-operation with our Ministry of Transport.

Now, you have the BBC and the ITA, which are public bodies.

Sir Hugh GREENE: Yes.

Mr. HYMMEN: This has reference to a question that Mr. Jamieson asked a few minutes ago. If you did not have the ITA would it, in your view, have been necessary to have another body over the private and the public situation.

Sir Hugh GREENE: Well, looking at it from the point of view of the United Kingdom I feel sure that it was the right decision to have two completely separate authorities both of which report annually to Parliament. I do not believe that a combined authority, whether the BBC acting as an authority for the private stations, or a more remote authority responsible for both would work, in the United Kingdom, at any rate.

Mr. HYMMEN: This may not be a fair question to ask, but of the two public bodies has the BBC any higher status than the ITA or are they considered entirely equal?

Sir Hugh GREENE: Well, let we put it like this, that the BBC is different from the ITA in a number of senses, in that it covers television, radio and our External Services, whereas ITV is only in television. And the BBC Board of Governors is part of the BBC—I am sure this is a question you should be putting to Sir Robert Fraser—whereas the ITA is an authority responsible for the activities of programme-producing companies.

Mr. HYMMEN: I noticed in your White Paper that there is no commercial advertising allowed without—

Sir Hugh GREENE: I am sorry, could I add one thing arising from your last question?

The BBC is recognised formally as the main instrument of broadcasting in the United Kingdom.

Mr. HYMMEN: Another question anent this is that there is no commercial advertising allowed without the specific permission of the postmaster general, which permission has never been requested. Do the other authorities, the ITA or ITV, have commercial broadcasting?

Sir Hugh GREENE: Yes, indeed they do; they are financed by advertising.

Mr. JAMIESON: If Mr. Hymmen would permit me, does this mean that the BBC could, on its own authority, now go into commercial broadcasting if it wished?

Sir Hugh GREENE: No; all that this means is that the BBC, if it wished, could ask the permission of the postmaster general to do so; and the BBC does not wish, and I cannot really think that the BBC ever would wish.

In this particular clause in the Licence, there is also what we would interpret as a complete exclusion of sponsorship. This is in Clause 13 of our Licence and Agreement with the Post Office. Perhaps in that connection I might stress that fact that this is a Licence and Agreement, which I think is a very important point. It is not just a licence granted by the Post Office. It is a licence and agreement between Her Majesty's postmaster general and the British Broadcasting Corporation, which is signed by the Director General of the Post Office, and by the Chairman and Director General of the BBC.

Mr. HYMMEN: I have another question, Mr. Chairman.

One thing that caused quite a bit of concern here, particularly in regard to the private stations, is the regulation of Canadian content, probably because of the proximity of the United States. Do you have any regulation on British content?

Sir HUGH GREENE: No, we do not. There is just a rather vague phrase—I think it appears somewhere in the licence—about a "proper proportion of British material". There is nothing more than that.

Mr. HYMMEN: There has been expressed before the Committee in the last few days some concern on the part of the professional people—the actors, the producers and the writers. It was suggested, I believe, that in the United States these comprise something like 1,500 people and in Canada presently and potentially something like 500 people. How many people would be involved in this phase in the BBC and ITV?

Mr. PRITTIE: You mean earning a full-time living?

Mr. HYMMEN: Well, I am coming to that later.

How many people would be working in the broadcasting industry in the United Kingdom?

Mr. JAMIESON: On a freelance basis?

Sir HUGH GREENE: Do you mean on a freelance basis?

Mr. HYMMEN: My other question, sir, was going to be whether these people worked full-time or part-time?

Sir HUGH GREENE: Well, writers and performers are normally freelancers. There are certain performers and writers with whom the BBC, or the ITV

program companies may make an exclusive contract, but by far the greater number of them would be freelancers, many of them appearing both on BBC and ITV.

We do have, in the case of radio, a repertory company of actors, who are, in fact, working full-time. We do, also, of course, have our orchestras. In fact, the BBC employs full-time nearly a quarter of the full-time musicians in the whole of the United Kingdom.

Mr. HYMMEN: With reference to Mr. Jamieson's question about the professional people, do they appear to be satisfied with this freelance status?

Sir HUGH GREENE: Yes. Of course, all of them will tend to be organized in one way or another. Actors will tend to be members of Equity, musicians of the Musicians Union, and writers of the Screen and Television and Radio Writers Guild; and with all of these bodies we negotiate terms of employment.

Mr. HYMMEN: One last question: One of our problems in Canada is the size of the country and the fact that we have 20 million people, with potential population many many times that, and every citizen is in a situation where public operation entitles him to receive the broadcasting from this network. Now, one of our hopes of course is that in the near future we may have satellite communication, which will be an alternate to the present very, very expensive method of microwave networks. This may not exactly apply in the United Kingdom and Europe, but has any serious consideration been given to the introduction of satellites over the United Kingdom or Europe?

Sir HUGH GREENE: There has been, let us say, some rather preliminary thought on the subject. I think it is clear that a country of the size of the United Kingdom cannot conceivably have the benefit from the satellite transmission that countries of the size of Canada or the United States can have. There has been a beginning to talks within the European Broadcasting Union about the possibility of a European satellite, but they are in their very early stages.

Mr. JAMIESON: Sir Hugh, who controls microwave in the United Kingdom? For instance, do you have any of your own? Do you rent it? Is it publicly-owned? Are there private companies? How does microwave operate?

Sir HUGH GREENE: We rent our lines from the Post Office. We are in discussion with the Post Office about possibly taking over more than we have at the moment. The transmitters are our property.

Mr. MACDONALD (*Prince*): Earlier, Sir Hugh, there was a reference to pirate radio, and at the very beginning you mentioned that the BBC still has a monopoly as far as radio is concerned. Now, I watched one of the pirates when he appeared on "Front Page Challenge" recently. I think he made reference to the fact that soon there was going to be a change in regard to this. Could you just tell us what kind of a change is presently contemplated?

Sir HUGH GREENE: Certainly; a bill was introduced in Parliament last July, and will be having, one expects, its second reading before very long; it is called the Marine Offenses Bill, and it is, in fact, intended to put the pirates out of business. The text of that bill is available, and if you study it I think you will find it is pretty stringent. It makes any thought of aiding and abetting the

pirate stations, through the provision of any services, including advertising, an offense. I would find it difficult to imagine that once this Bill becomes law the pirates could long continue to survive.

Mr. MACDONALD (*Prince*): It was my understanding from watching—I forget the name of the chap who was on—

Sir HUGH GREENE: Smedley.

Mr. MACDONALD (*Prince*): Yes. He seemed to leave the impression that an opportunity was going to open up for a kind of radio service similar to ITA. Is this contemplated? After the closing down of what seems to have become a very popular sort of programming in these pirate radio stations, will they be replaced by legalised private radio, such as stations on the mainland?

Sir HUGH GREENE: I heard the tape of the Smedley broadcast in London the day before yesterday. I was particularly interested in his very frank admission that one of the objects of the pirates has been to do propaganda for the introduction of legal commercial radio on dry land. There is, in fact, an absolutely firm government decision that that will not happen. That is included in the White Paper issued before Christmas.

The pirates have been very assiduous in their propaganda, and have tried to build up a picture of a "stuffy" BBC, and of their bringing sweetness and light into the air. Our own audience research, which is backed up, more or less, by a poll done by the National Opinion Poll, says that they have only a very small audience compared to the BBC's. Our Light Programme has four times the audience of all the pirates put together. At the same time they did not reduce our audience, which is a very interesting fact. You would normally expect any competition to reduce one's audience. They did, this must be admitted, create a new audience of young people who had not previously been using radio very much.

Mr. JAMIESON: Have they increased the number of sets in use, Sir Hugh?

Sir HUGH GREENE: No, there is no sign of that; any more than there is any sign that ITV increased the number of television sets when it was introduced.

Mr. MACDONALD (*Prince*): But they do attract a large teenage audience; is that correct?

Sir HUGH GREENE: They attract a large teenage audience. It is an audience to which we have been asked by the government to try to cater, but of course we have to do so within the boundaries of the law. We cannot, in the United Kingdom, make unlimited use of commercial discs, which is what the pirates have been doing.

The CHAIRMAN: Mr. MacDonald, may I ask Sir Hugh how he has been asked by the government to cater to this audience and what was the form of this request? Was it suggestion from the postmaster general?

Sir HUGH GREENE: Yes, there was a discussion between the postmaster general on one side and Lord Normanbrook and myself on the other about what the BBC could do to meet this need. This has also involved, in its turn, discussions between the BBC and Phonographic Performance Limited, which represents the record companies. The latter are protected in our case by the

Copyright Act, 1956, which means that they can control the amount of use of commercial discs.

As a result of that we shall, later on this year, be splitting our Light Programme and introducing on the medium wave, which is used as well as the long wave by the Light Programme at the moment, a new popular music programme. Now, "popular" should not be translated, as newspaper headlines tend to do it, as "pop", because the two things mean something different. There will be an element of "pop", but it can only be an element because of the fact that we have to operate within the law. The pirates were pirates not only because they operated on pirated frequencies, but also because they operated with pirated gramophone records.

Mr. MACDONALD (*Prince*): I do not quite know how to put this question. Has any objective survey been done in recent years to determine whether there is a large public sentiment in favour of private radio broadcasting?

Sir HUGH GREENE: There was a recent poll on the subject—I forget whether it was by Gallop or National Opinion, or who carried it out—which showed that there was a considerable majority of public opinion in favour of radio remaining in the hands of the BBC and against the introduction of commercial radio.

Mr. MACDONALD (*Prince*): There was discussion earlier about the Board of Governors, and related questions. I was not clear on who appointed the chairman of the board.

Sir HUGH GREENE: The chairman of the board is appointed, as are the other members, by the Queen in Council.

Mr. MACDONALD (*Prince*): And is he appointed for a specific term?

Sir HUGH GREENE: Normally all the members of the Board, including the chairman, are appointed for 5 years.

Mr. MACDONALD (*Prince*): And eligible for reappointment?

Sir HUGH GREENE: Eligible for re-appointment; re-appointment not being the normal thing, but occurring from time to time.

Mr. MACDONALD (*Prince*): Now, again, there was discussion earlier on what I might call the make-up, or the mix, that the Director General should have in terms of being most effective in his position. The three areas that concern us are the areas of program experience, administration and technical experience. In your own case is it my understanding that you have more or less had greater experience in the area of programs than in administration?

Sir HUGH GREENE: Well, greater in terms of length of time; but I would say that in my two years as Director of Administration the intensity of experience was enough to make up for the shortness of time. Therefore, I would say that I have had both program experience and administrative experience.

Mr. MACDONALD (*Prince*): You also indicated I think, that it was necessary for the Director General to exercise a certain amount of responsibility in the area of finance and public relations. Would you say that one of the most important, if not the most important, areas would be the area of programs?

Sir HUGH GREENE: Oh, yes. I gave, I think, the three areas of programs, finance and public relations as being the three which took up most of my time.

Mr. MACDONALD (*Prince*): Programs being paramount?

Sir HUGH GREENE: Well, that is what we are there for.

Mr. MACDONALD (*Prince*): Now, in connection with Licences to broadcast, I do not know whether it has yet been made clear this morning who grants Licences and who controls the regulations in terms of whether or not you are on the right frequency and who gets which channel. Is this carried out by the post-master general or by the Department of Transport?

Sir HUGH GREENE: This is entirely the Post Office. The Post Office acts as the representative of the British government in all negotiations with foreign countries. They are the authority. The Ministry of Transport does not come into the matter at all.

Mr. MACDONALD (*Prince*): How are decisions made with respect to which channel the BBC shall have in terms of television or which channel the ITV will have?

Sir HUGH GREENE: This is a question to which you might get an interesting answer from Sir Robert Fraser, I should think, when you hear him later on.

Of course the BBC was already operating within a certain band before the ITV was brought into existence so that they had to be accommodated elsewhere. I imagine this would have been a matter for discussion between the Post Office and the Director General and the Director of Engineering.

Mr. JAMIESON: Is there a shortage of VHF in Britain?

Sir HUGH GREENE: No, not of VHF.

Mr. JAMIESON: So that there is no real problem. . . of—

Sir HUGH GREENE: In television terms, yes, indeed; there is a European shortage, and there is a very serious mutual interference on the VHF channels on television between the United Kingdom and Europe.

Mr. FORRESTALL: If I may, I would like to make one interjection.

How close are you to the utilization of the UHF channels.

Sir Hugh GREENE: BBC 2 is at the moment the only service operating on UHF.

Mr. FORRESTALL: You are already on UHF?

Sir Hugh GREENE: We are already on UHF, and by the end of this year we will have a potential coverage of 75 per cent of the population.

Mr. FORRESTALL: Under the UHF?

Sir Hugh GREENE: Yes, under the UHF. In VHF our coverage is about 99.7 per cent.

Mr. FORRESTALL: I have just one more question, Mr. MacDonald.

Is there any conflict with the Europeans because of the crammed frequencies at the VHF level? Is there any movement in Europe to the UHF?

Sir Hugh GREENE: I do not know the answer to that in Europe. It is possible that there might be a further movement to UHF in the United Kingdom, but no decision has yet been reached on that.

The CHAIRMAN: If you do not mind, Mr. MacDonald, may I ask simply whether or not there is any government requirement that television receivers include the UHF channel?

Sir Hugh GREENE: There is no legislation on that in the United Kingdom. It is a matter of self-interest. It is up to the manufacturers.

The CHAIRMAN: Apparently they all do, though, if you are able to get such coverage?

Sir Hugh GREENE: Yes. All sets which have been on the market for about the last two or three years—I cannot say exactly how long—are capable of receiving UHF on 625 lines as well as VHF on 405 lines.

Mr. MUNRO: I just want to ask one question, Mr. Chairman, with Mr. MacDonald's approval.

It seems strange, on the surface, Sir Hugh, that, private interests having been accepted in broadcasting in Great Britain, there would be this resistance to private interests in radio broadcasting.

Sir Hugh GREENE: I think probably the reason for that is that the BBC, having operated for a long time with three separate networks, has been really catering to practically every taste. The BBC had only one television network when ITV was introduced. I would think that that is probably the basic reason.

Mr. MACDONALD (*Prince*): I am interested in this problem of interference on VHF from Europe. Has any attempt been made to set up an international regulatory body to which all broadcasting corporations could make representation and which could make some resolution of the effective use of channels?

Sir Hugh GREENE: There are, certainly, international bodies, but I am no technician and you may be getting me a little out of my depth. There are certain atmospheric conditions, particularly in the summer months. There is a mysterious thing known as "Sporadic E", which means that frequencies behave in an unfortunate manner at certain periods of the year and in certain sun spot conditions, and which leads to very serious interference indeed. This, for reasons which I, not being a technician, could not explain to you, affects the band on which BBC-1 operates more than the band on which ITV operates. At periods in the summer—this past summer was not as bad as the previous summer—you can get a complete break-up of the picture at certain hours of the evening, particularly, in certain areas of the country. This is happening on our side of the channel, and it is happening in European countries through interference from us, too.

Mr. MACDONALD (*Prince*): On the domestic scene there is no body similar to our Board of Broadcast Governors which would make the allocation of channels and hear representations from the two networks concerning who should have which channel or, if there was a question of satellites, which satellite would get approval?

Sir Hugh GREENE: No, that is the Post Office and, I think, as far as I know, it has always been a pretty satisfactory method of dealing with it.

The Post Office, incidentally, is to be turned into a public corporation in 1969, which will lead to its ceasing to be a ministry, and that will cause changes in the situation, which the government is still thinking about.

Mr. MACDONALD (*Prince*): In my next area of questioning you may not find it possible to answer any questions because they are on the business aspect and you might wish to have facts and figures available.

I am wondering if you do have figures, or if figures could be made available, on the relative amounts that are spent on the two general areas—and again these areas almost need to be defined—of administration and programming? Would you know, even in terms of percentages, what amount is spent for administration and what amount is spent on the creative aspect of programming?

Sir Hugh GREENE: No, I could not give you any such figures offhand. In many ways they are very difficult, of course, to divide off from each other.

You will find some figures in the BBC Handbook, which I notice some of you have, and which could be made available to all members. There you will get a general breakdown. You will find the whole central administrative departments covered, but administration in general—how do you define it? I mean, a good producer is also an administrator. I feel very strongly that part of a producer's job is the administration of his programs. He must be money-conscious; so that he is fulfilling certain administrative functions all the time. Therefore, to draw an absolutely firm dividing line between programming and administration would be very difficult indeed.

Mr. MACDONALD (*Prince*): While you are looking this up, I would like to say to the Chairman that it would be very helpful if we could have copies of the report which Sir Hugh has at the moment, plus the two additional booklets that I know are available in limited amount at the moment. I think it would be of assistance if they were available to all members of the Committee.

The CHAIRMAN: Sir Hugh has very kindly offered to provide these. I hope it does not create for the BBC more financial problems than it already has. Do you think you could afford to give each of us one?

Sir Hugh GREENE: Certainly; it will not lead us further into the red.

The CHAIRMAN: I notice it is a red book.

Sir Hugh GREENE: You will find in this book statements of operating expenditures for the year ended March 31, 1966. You will find, under the heading, "Television Broadcasting," the percentage spent on programs is 59.52, you will find under the heading, "Engineering", 28.52 per cent; under "Premises", 9.64 per cent; and under "Management", 2.31 per cent.

Mr. MACDONALD (*Prince*): It would seem, just from the very general picture that is given, that programming would account for well over 50 per cent?

Sir Hugh GREENE: Yes.

Mr. MACDONALD (*Prince*): Again this may be a little difficult to answer, but I wonder how this would compare with, say, five, ten, or fifteen years ago,

realizing, of course, as we go back over those periods, that television would be a diminishing part of the over-all budget?

Sir HUGH GREENE: It certainly would be possible to provide such figures and I will arrange for that to be done, if you wish. These figures would be available, in part, in the Handbook. This particular one provides a comparison with the year ended March 31, 1965, and there is hardly any change in the percentages.

One interesting development over the years, which I could mention, is that if one omits the element of rising costs we are producing our programs, in terms of basic costs, more cheaply than we were a few years ago, and the number of staff per hour of programming is less than it was a few years ago.

Mr. MACDONALD (*Prince*): Earlier this morning you mentioned that there seemed to be a decrease in demand for American programming. Am I correct in that?

Sir Hugh GREENE: I would say not so much a decrease in demand as that they no longer tend to be the most popular programs.

Mr. MACDONALD (*Prince*): Is it fair to ask what percentage of program time would be occupied by American programming on television?

Sir Hugh GREENE: Yes; it varies from year to year, but taking BBC 1 and BBC 2 it is roughly 1 per cent. That, of course, includes major documentary programs as well as entertainment series.

Mr. MACDONALD (*Prince*): What percentage would be other than American but from overseas in terms of being Canadian, Australian or from some European or other country?

Sir Hugh GREENE: It would be very small, I am afraid. One would wish it was more. I could not give you an exact figure offhand, but I think it would be in the neighbourhood of not much more than one per cent.

Mr. MACDONALD (*Prince*): There seems to be increasing interest in doing programs on a co-operative basis between, say, the BBC and the CBC and Australian television, and so on. Has this been an area in which the BBC has shown a considerable amount of interest over the past few years?

Sir Hugh GREENE: We have had, over the years, discussions with your CBC and with ABC about this. There have been some results, and I hope that as the years go by there will be more. This is something in which I personally am very interested.

Mr. MACDONALD (*Prince*): Earlier Mr. Jamieson asked you questions with regard to the restrictions on political programming. I was wondering if attention had been given by the BBC to what we would call balancing political programs? These would not be political programs of the type where a party has 15 minutes and goes on with a speaker, but the kind where you might be doing a public affairs program in which you will be choosing to use "politicians". Would there be a conscious attempt, on the part of the BBC, to say, "last week we gave the Conservatives quite a go on a particular half hour show. This week we will do the Labour Party," and so on, or do you more or less do programming of this

nature as the interest is there rather than as a conscious attempt to do 50 per cent here and 50 per cent there?

Sir HUGH GREENE: On the whole, we are trying, in many ways, to do both things at the same time. On a particular matter of political controversy we will try to produce a general balance, not necessarily within the same program, although sometimes, when it is appropriate, it is on the same program in the form of an argument; otherwise, it is over a longer period. In addition to that we do keep an internal tally, which is not for publication, of the use of M.P's on our programs. We try to make sure that, over a long period of, say, a year, we give a fair crack of the whip to M.P's. of the two main parties and of the Liberals, too, as a smaller party; and bearing in mind the fact that an M.P. can benefit, from an electoral point of view, if he is, let us say, a radio doctor or an expert on bee keeping or what have you. It does not necessarily mean that he only benefits if he appears in a political context. We keep this general tally.

Mr. MACDONALD (*Prince*): In that same connection, is it permissible—and I suppose the question should really be directed to those who speak for the government—or normally the case that elected members of parliament from time to time can be employed by the BBC in some function as an actor, say, or as an interviewer and can they receive payment for services?

Sir Hugh GREENE: Oh, yes, and they do.

Mr. MACDONALD (*Prince*): They do?

Sir Hugh GREENE: There are one or two actors in parliament who appear on the BBC.

Mr. JAMIESON: We have more than one or two.

Sir Hugh GREENE: They appear as actors. There is nothing whatever to prevent that.

Mr. PRITTIE: May I ask a supplementary? You keep an informal list of the number of members of parliament from the various parties who appear. Do you take into account the divisions within parties on your list, too?

Sir Hugh GREENE: We take that into very rough account in our own minds. It is too dangerous to have notes.

Mr. MACDONALD (*Prince*): This aspect that members can receive remuneration, is very interesting because this has been a source of some contention, as you likely know, in Canada and it is now generally accepted that members of parliament should not receive any remuneration.

Sir Hugh GREENE: You raised this in connection with members of parliament who appear as actors or performers in some way. However, if they are appearing in their capacity as members of parliament, on a current affairs program, they are paid the going rate for it. We think it is very important indeed, that they should be paid.

Mr. MACDONALD (*Prince*): There is a very strange situation in this country, and I suppose you know this. As a member of parliament, it is quite permissible for me to appear on the CTV network and be paid for my services there.

An hon. MEMBER: But they do not pay you.

Mr. MACDONALD (*Prince*): I have been paid, not by the CTV network, but for appearing on the CTV network and this is entirely unacceptable. In fact, you jeopardize your seat in the House if you were to be paid for appearing on the CBC.

Mr. BRAND: Does this not have something to do with methods of financing? There is a different method of financing as between the two systems and I do not think it is apropos.

Sir Hugh GREENE: We make no difference whatever in payments for performances between members of parliament and anyone else.

The CHAIRMAN: Your members of parliament do not hold your purse strings?

Sir HUGH GREENE: No.

Mr. MACDONALD (*Prince*): In connection with the documentaries and other films of general interest that you produce, after the film receives a showing what is the general disposition of it? Is it made available in any way to film societies? Do you have something similar to our National Film Board that it is possibly made available to? Are the films just stored haphazardly or in some organized fashion for later use?

Sir Hugh GREENE: We have what is called the National Film Archives which is under the National Film Institute. There are quite a number of documentaries or even news films of historical interest which are put in the National Film Archives. We will hang on to a great deal. We are at the moment, in fact, engaged in a rather careful study of our Archives policies because there is always need to keep a balance between the wish to keep everything of interest and the enormous amount of space it takes. In the case of television there is the necessity to transfer from tape to film, if you are going to keep something for very long, which is in itself an expensive element. We do have a very considerable Archives and, of course, a very considerable film library. We try to keep everything that is likely to be of long-term interest.

Mr. MACDONALD (*Prince*): Are the films that are stored in the National Film Archives available for private showings or for groups?

Sir Hugh GREENE: That will depend upon the nature of the rights that we have taken out with the performers, actors, musicians or what have you who appeared on the program. We certainly will not take out theatric rights for a showing in cinemas against payment. We may very well, in many cases, take out the rights for film societies and so on where there is no payment.

Mr. JAMIESON: I believe, also, there is a time lag on some of these. Might you not have it for two or three years?

Sir HUGH GREENE: There is a time lag in some cases—also a time lag even so far as our own repeats are concerned, particularly where actors are involved.

Mr. MACDONALD (*Prince*): I am thinking more of the documentary which would deal with some fairly common social issue which could be, in this manner, made available for showings.

Sir Hugh GREENE: Those we usually do make available for non-theatric showings.

Mr. MACDONALD (*Prince*): Directly related to educational programming, does the BBC at present do any of the straight educational programming in terms of offering perhaps university courses or this kind of thing in the morning hours or some time during the day?

Sir Hugh GREENE: We do not offer what you call university courses, if you mean courses which might lead up to a degree. The question of setting up what has been called "The University of the Air" or more lately "The Open University" is being considered by the government at the moment, and such a development would provide university courses leading up to a degree. We have a very extensive system of school broadcasting in radio and television and also of further education of various sorts. We have gone in for direct teaching in certain areas, particularly in the new mathematics, where there is a shortage of specialized teachers. The greater part of our output falls more within the range of what educationalists call, I think, enrichment.

Mr. MACDONALD (*Prince*): Thank you, Mr. Chairman.

The CHAIRMAN: Gentlemen, I am going to suggest that we break for lunch now. The first witness when we resume this afternoon at about 3.30, will be Sir Robert Fraser, but we will return to Sir Hugh Greene either later on this afternoon or tomorrow morning. I know there are still members who would like to question them. We do not wish to impose too much on our guests. I think they should have a reasonable lunch hour. Sir Hugh Greene has assisted us a great deal in a relatively short period.

Mr. COWAN: You may be interested in the fact that I will not be here tomorrow. However, I would like to speak with these gentlemen this afternoon.

The CHAIRMAN: He will be here this afternoon.

Sir HUGH GREENE: I will be available as you wish, Mr. Chairman.

The CHAIRMAN: Sir Robert Fraser will also be here, and we will welcome them both back at 3.30.

Mr. PRITTIE: Mr. Chairman, since Mr. Cowan will not be here tomorrow, I think he should have a chance to question Sir Hugh this afternoon, if it can be worked out.

The CHAIRMAN: I think there will be that opportunity. I will try to be sure that there is.

AFTERNOON SITTING

THURSDAY, February 2, 1967.

The CHAIRMAN: Gentlemen, our first witness this afternoon is Sir Robert Fraser, O.B.E, Director General of the Independent Television Authority in

England. Sir Robert is a colonial like ourselves; he was born in Australia—not England. He, too, has a background as a journalist, like Sir Hugh Greene. He was a journalist and a civil servant. He was appointed Director General of the Independent Television Authority in 1954, when it was first established, and he has been the Director General ever since.

Sir Robert, perhaps you could outline for us briefly the position of your authority in the British broadcasting structure before I turn over the questioning to some of the members of the Committee.

Mr. COWAN: Pardon me for interrupting, sir, but when might Sir Hugh Greene be coming back?

The CHAIRMAN: He is here with us still, Mr. Cowan, and I think he will be available a little later on this afternoon, after we have heard from Sir Robert.

Mr. COWAN: Have you any idea of what a little later on might be? I was very patient this morning, with all the questioning going on, and I do want to speak to him because he is a man of ability.

The CHAIRMAN: Would you like to return in an hour, Mr. Cowan?

Mr. COWAN: I will return in an hour.

The CHAIRMAN: That will be quite safe.

Mr. COWAN: I hope I am not hurting the committee in any way.

The CHAIRMAN: I am sure you would only contribute to it.

Mr. FAIRWEATHER: You have more independence than a television authority.

Sir ROBERT FRASER, O.B.E. (*Director General Independent Television Authority, United Kingdom*): Mr. Chairman, first of all I would like to say, as Sir Hugh did, that I am much honoured—indeed my Authority is much honoured that you should have felt that there was anything in our own experience which might be able to contribute, perhaps a little, to the solution of the problems of Canadian broadcasting policy.

If the chairman will allow me, I would like to begin by saying a few words about the whole pattern of British Broadcasting because it is difficult to explain the position of the Authority of Independent Television unless one does that. In some way, strange as it may seem to you, the organization of British Broadcasting, the institutions of British Broadcasting, are extremely simple, unconfusing and also, I think, stale. We have many controversies, as all countries do with broadcasting, and particularly with television. We have many controversies about various aspects of television in the United Kingdom, but we do not any longer have any kind of continuing controversy about the actual organization of broadcasting, about whether changes are needed or not needed in the positions, the functions of this or that part of the broadcasting organization. The first thing that you notice when you look, of course, at the organization of broadcasting in the United Kingdom, is that you do not really come across a body with functions comparable to those of the Australian Broadcasting Board of Control or your own BBG. It is, directly you look at it, a rather simpler picture. You simply find that there are two absolutely independent self-contained broadcasting services. The committee will understand if I speak only about television because, as Sir Hugh was saying this morning, the Independent Television Authority has no

licence in the field of sound broadcasting. You find two self-contained television authorities, independent one of the other, asking each other to our parties, socially friendly, but with no kind of institutional relationship between them. Not, for example, the kind of institutional relationship introduced into the Canadian scene by the affiliation of private stations to the CBC. They are absolutely separate from one another and, as Sir Hugh was explaining this morning, although over a limited part of the field it is convenient to do a number of things together, particularly a number of technical things, and to try a number of things together, these points of contact between the two organizations are relatively very slight and insignificant. The fundamental things of the two services are quite separate one from the other, and each is headed by a body without any cross-over responsibilities of any kind whatever from one service to the other. The members of the Independent Television Authority are not called Governors, as they are with the BBC, but Members. These Members of the Independent Television Authority correspond to the Governors of the BBC, and these members have a total and exclusive responsibility for Independent Television and none for the BBC, and similarly of course, with the Governors of the BBC. Well, that is a relatively simple picture.

To complete my preliminary remarks, may I say that at this point anyone interested in the institutions of broadcasting would say that somewhere there must be a missing link. You have said that you have not an Australian Broadcasting Control Board; you have said that you have not a Board of Broadcast Governors; you have described the existence of two broadcasting authorities absolutely separate one from the other. Since these two Authorities exist by virtue of parliamentary decision, surely there must somewhere be a third part, a central Authority from which the authorities of these two authorities is derived, as indeed of course there is. And what is perhaps to some extent peculiar about the British scene is that this authority is, in ministerial terms, the Postmaster General. Now, broadcasting policy is so much an interest of parliament and the cabinet as a whole that when one says "the Postmaster General", one is in a way using a piece of shorthand. Behind the decisions of the Postmaster General, in terms of broadcasting policy, there will, much more often than not, in fact be a decision of the cabinet and behind that of course, a decision of parliament itself. When, however, you do write down a full list of the powers of the Postmaster General, forgetting for the moment whether he is exercising powers, which he is competent to exercise without reference, or merely acting as the responsible minister for the Cabinet, you do find that at the centre of British broadcasting there is a very powerful central authority taking decisions which affect both the broadcasting authorities, and in a number of important cases, laying down rules and standards which both of them must observe, some of which Sir Hugh was explaining this morning. Given, however, this strong central authority, political authority—not so much a party political authority, though party politics does come into the organization of television because very often whether you have a private centre or not will depend upon the complexion of the government—and you then have two services each self-contained with its own separate authority running it, you do not leave then room for the insertion of a third public board—because if everybody else is doing their job there is no call for it—and you therefore escape what I know has been a restless feature in the organization in Australian broadcasting and what I suspect as being perhaps a restless feature

in the organization of Canadian broadcasting, namely the deadly problem of the distribution of powers and function between the public corporation which runs your state broadcasting service and this other agency, whether it is the Australian Control Board or whether it is the BBG. This I think is why, controversy ridden as we are in many fields of television, in fact we live in a state of blissful peace in terms of the actual organization of broadcasting. Nobody anywhere is holding committees of enquiry to decide whether changes need to be made in the actual organization. They may think there should be big changes in the program policy or program standards, or that this or that program was a good program or a bad program and should or should not have been transmitted. But we ourselves are without the kind of controversy—if you will forgive me putting it this way—which has in fact brought me here, as a result of your invitation.

The CHAIRMAN: Thank you, Sir Robert. Mr. Brand would like to ask a couple of questions.

Mr. BRAND: Thank you, Mr. Chairman. I think, Sir Robert, you certainly have laid down in very clear terms the basic differences between Canadian and British broadcasting in particular. I noticed you were carrying a copy of our White Paper. You may notice there a suggestion on page 8 about the Regulatory Authority which was suggested in the White Paper, which is an expansion in effect of the Board of Broadcasting Governors as presently constituted; and of course the suggestion there that public and private sectors must be regarded as a single system. Do you agree with this?

Sir ROBERT FRASER: You will understand my diffidence in replying to questions about Canadian broadcasting, as if I knew anything about it. But if you will not think I intrude too much, I really think I can perhaps be most helpful to the committee if I allow myself the liberty of answering the kind of question, Mr. Chairman, that has just been put to me. Sir Hugh gave you so clear a description this morning really, not only of the BBC but of Independent Television, that I think perhaps you will not have very many more questions for me about the actual structure of broadcasting. Truth to tell, I find if difficult to understand exactly what is meant by saying that it is one system. I mean, if somebody said to me that the newspapers of the United Kingdom are one system, I would not know entirely what they meant. It seems to me that there are two broadcasting services in Canada which are as independent, one of the other, or coming to be so, as, let us say, two independently owned and competitive newspapers—or so it seems to me. Now, if you mean, do you agree that somewhere there must be an authority which imposes common standards in certain fields on both the broadcasters or sets of broadcasters, I would say yes, there must be. There does not have to be for newspapers; there does have to be for broadcasting because, fundamentally, not everybody can be a broadcaster—a point that has been made in the White Paper. Somebody has a licence and the other side of that is that somebody who would like a licence has to do without it, and therefore the State has to say, at the end of a certain period, just on what grounds does this broadcaster continue with a licence and this would-be broadcaster has to continue to do without it. Therefore, I think the State is taken inevitably into the assessment of performance. If it does that, or course, then it has to say by one means or another what it regards as the standards of performance that would be acceptable. I think really in all free countries this has had to happen,

whether it is the FCC or the ABC or whatever it is. Somewhere there is a source of standards outside the operating broadcasters themselves. And if that is all that is meant by saying it is one system then I understand it.

Mr. BRAND: What I was trying to get at here, sir, is this. Do you think it would have a salutary effect on Canadian broadcasting if we had two autonomous boards with a central authority, such as you have, controlling the public and private sectors of broadcasting but with no crossovers such as you have? Has this had a salutary effect on the British broadcasting pattern?

Sir ROBERT FRASER: Whether it has a salutary effect on the British, of course, raises a larger question, which Sir Hugh was also discussing this morning as to whether the arrival of a second service on the scene has been good or bad. I think perhaps that was not on your mind.

Mr. BRAND: No, it was not, sir. Please continue.

Sir ROBERT FRASER: Perhaps it may be because I have only been concerned in the operation of the pattern in the United Kingdom, but it seems to me to work extremely well. That is not to say that it is the right pattern for everywhere else or that it would be the answer everywhere else, but it does seem to me to be clean, neat and to leave everybody knowing exactly where they are so that they can fasten their responsibilities for performance clearly in one place. If there is anything wrong with the BBC it is the fault of the government and the BBC and nobody else at all. If there is anything wrong with Independent Television it is the fault of the members of the Independent Television Authority and no one else at all. And if both of them are misbehaving, not observing standards which parliament wishes to have observed and has said should be observed, then it must be the fault of the state itself and, in our terms, the fault of the Postmaster General who presumably then exercises his powers to dismiss every single member of the board of governors and every single member of the authority and replaces them with others. This, of course, is a tiny illustration of the power of the Postmaster General in this respect. It is true, and I think Sir Hugh would agree it is largely a formal thing, that the governors of the BBC are appointed by the Queen in Council and the members of the authority, who exactly correspond with them, are appointed directly by the Postmaster General. In fact, broadcasting is too important to the modern community that is would surprise me if appointments to the board of the BBC or to the authority, did not require the highest possible political approval before they went through. I would think that most of the ideas for those who are to replace members who are leaving either of these two organizations come from the Postmaster General. He has the power to appoint the members of both organizations, as it were, at the beginning and this is a sign, a symbol, of the more extensive powers he has over the final things.

Mr. BRAND: I think you have put your finger right on the problem in Canada. You mention that in Britain everybody knows where they are at and in Canada nobody knows where they are at in broadcasting. This has been the only reason for these inquisitions. We are here to try to find some way in which the broadcasters and the people will know where they are at. I take it from your comments that a super board such as is proposed in the White Paper would not necessarily tend to elucidate the problem, if it mixes the two up.

Sir ROBERT FRASER: Let me answer in this way. The government itself cannot escape the exercise of responsibility for the sake of the broadcasting services in communities like the United Kingdom, Canada or Australia, but there will be parliamentary debates, white papers, and decisions by the government and these may perhaps be taken only over a period of ten years. It is the government which, after all is going to say: there will be a BBC; there will or will not be a competitive independent television service. The basic decisions about the organization of broadcasting are going to be taken by the government, so over a certain part of the field, whether you like it or not, the government is going to be a principal element in the development and application of broadcasting policies. The government is not going to broadcast, so somewhere else you are then going to have some broadcasters: your CBC network, your private stations, your private stations affiliated with the CBC and the CBC itself. We are going to have the British Broadcasting Corporation and the whole complex of private enterprise companies and public corporations which comprises independent television. You are going to have the government then, and you are going to have three broadcasters headed by what in a private company or a commercial company would be called the board of directors, which is in our case what the government and the BBC and the members of the independent television authority are. They are the boards of directors of the business and they both appoint the chief executive, Sir Hugh Greene in the BBC's case and me in the case of independent television because, as Sir Hugh was explaining this morning, although two boards are appointed by the Postmaster General, the entire staff of the corporation and the independent television authority, including the chief executive, are appointed by the boards themselves. You are landed with this already. You are going to have one, two or three operators and you are going to have the government in the picture. Now, if at that stage you decide to interpose into this simple line of command the government, in whatever ministry the power is exercised, the government at the top and, coming down, in the case of the United Kingdom, the BBC on the one hand and the authority on the other—because there is no operating broadcasting power in the United Kingdom other than that exercised by the BBC and the ITA—you are going to have this triangle. You are going to have the government, the broadcasters whom it licenses with their own controlling boards appointed by the minister himself. Now if the minister is now going to appoint another body and somehow or other interpose it into this triangle, where is he to put it and what is it to do? Is it to be directly under him with lines of command going out from it to the two operators and, if so, then goodness gracious me, one asks oneself, what is it that this interposed authority is going to do that the minister is not doing. Directly you do that then I think you get yourself landed in these terrible questions of exactly who is responsible for what. Supposing we had an interposed body in the United Kingdom and it was given some kind of responsibilities over the BBC somewhere between the minister and the board of governors of the BBC. What is it to do? What are its functions? Where are the powers divided? What is the need for it? What is it that the BBC is supposed to be incapable of doing? What is it that is not proper for it to do once the minister has taken all his decisions? If you say, well we will interpose it there and put it over the private sector, as it were, but not over the BBC, once again the same questions arise. At least, they arise in the

case of the United Kingdom because the members of my authority would say, "What were we appointed to do? The minister says that we are to run this television service along certain lines; he has given us some standards with which we are to comply, and we thought he said, having appointed us, "Now, get on with it; do it; do it." I think wrangles would break out between, in the case of the United Kingdom, the Independent Television Authority and the interposed agency. If you put the interposed agency over both the broadcasters then exactly the same problem of defining the responsibility arises but it arises in two places instead of only one. When I read through the White Paper, the earlier papers, and the Australian papers it comes to my mind again and again that if you do have additional authority between the minister and the operators, one seems to me to be landed inevitably in the dilemma of trying to define the distribution of power. And, for what it is worth, if you will forgive me for saying so, this has been a problem with you and the Australians. I just cannot help but ask myself whether our own relative freedom in the United Kingdom from this particular kind of controversy or debate—it does not mean that British broadcasting is better or worse than Canadian; we are talking about the organization of the institutions of broadcasting, and that is all we are talking about—is not due to the fact that not having this additional authority the question of what it is to do and what its relations are to be with the operators does not arise.

Mr. BRAND: I think, sir, that pretty well sums up a lot of our problems here, and I would certainly agree with you on that. In summary, the White Paper points out that the board of broadcast governors will regulate the powers in all matters affecting general broadcasting policy. Do you feel this would be better if it came directly from the government to the separate antonomous boards who could then operate, with good corporate management practice, without interference from parliamentary scrutiny at yearly intervals, such as we have here, or interference of all sorts and kinds?

Sir Robert FRASER: Well, I think a non-operating authority, let us say like the BBG or the Australian Broadcasting Control Board, does not lead to difficulties as long as it is clearly understood what its actual powers are. If its powers are the same as those the minister himself might exercise; if its powers are to set a limit to the amount of broadcasting time that is permissible on any given day which is, incidentally, one of the powers of the Postmaster General; if it is to say, as the FFC says, broadcasters must be fair, they must follow a policy of impartiality; if it says, as the Postmaster General said in an exchange of correspondence with the BBC, and by putting it in the Television Act, that programs transmitted must not offend against public taste and decency; if it says that advertisements must not be misleading and if it is simply concerned with the proclamation of standards, then I think difficulties do arise, although it is difficult to see how if it does not accept responsibility for observance of the standards. Difficulties, it seems to me, would arise if it holds the broadcasters accountable to it for their observance of these standards. Remember, these broadcasters, in the case of the United Kingdom, are themselves responsible for the corporation and are appointed by the minister to do the job. So that on the whole, I think anybody engaged in the administration of British broadcasting would say that no matter how different the circumstances may be elsewhere, they would expect to find themselves in terrible trouble within a year or so if

there were in fact interposed between the minister and the two operators an intermediate authority of the BBG or ABC kind. That is not to say that I am expressing an opinion as to whether there are circumstances that exist elsewhere that require the introduction of that type of pattern. For all I know, such may be the case.

Mr. PRITTIE: Could I pursue that, Mr. Chairman. Sir Robert did mention latterly a point that needed to be mentioned. Some of the powers now held by the Minister of the Department of Transport will go to the proposed regulatory authority mentioned in our White Paper. One thing about this authority that I question is its being a mixture of full-time members and part-time members. It is to have a chairman, a vice-chairman and three other full-time members, together with seven part-time members.

Mr. JAMIESON: I do not think that is quite true.

Mr. PRITTIE: It says that it is accordingly proposed that the board shall comprise a chairman, a vice-chairman and three other full-time members, together with up to seven part-time members, all to be appointed by the Governor in Council.

Mr. JAMIESON: I must have misread it. I thought it was in connection with the advisory groups.

Mr. PRITTIE: This is something I wonder about. In the case of the Independent Television Authority and the British Broadcasting Corporation, the governors are not engaged full-time. The only person on their staff who is engaged full-time is the Director General. I think that this is something we will have to think about. I think the question in Canada is further complicated by the fact that the systems are not quite as distinct as they are in the United Kingdom, because of the fact that the CBC relies upon privately-owned affiliates to do part of the job. I wish the situation were as neat as it is in the United Kingdom, but this is another complicating factor. Mr. Brand has brought out a question which is bothering us, the question of the power of the Board of Broadcast Governors and the power that the Board of Directors of the Canadian Broadcasting Corporation are to have. Sir Robert you can answer this if you think you can. Do you not think that we might have a system whereby this regulatory authority, the BBG, if you like, would be responsible for these sort of things you mentioned a moment ago: taste, advertising time and so on generally; that we leave the CBC Board of Directors to run that corporation as trustees for Parliament, but give the BBG further powers over the private sector—in other words, to be a super board of directors for private broadcasting in Canada, something the same as your authority is for the program companies in Britain.

Sir ROBERT FRASER: I am now lost. I began by saying to myself: "Be careful; do not express any opinions about the organization of broadcasting in Canada." I would have said, from our experience with independent television, with its 14 or 15 private broadcasting companies, that it is inevitable that there should be an agency of the state appointed to control, regulate and supervise this private sector. The private sectors of broadcasting in Australia, Canada and the United Kingdom are differently organized. I mean the balance of power between the private company, the broadcaster itself, and the supervising agency of the

state are defined very differently in our different countries. Indeed, in the case of the United Kingdom they are defined very differently between the 1954 Television Act—which is only concerned with independent television and not at all with the BBC—and the 1964 Television Act. There is a considerable move of authority in the 1964 act, compared with the 1954 act, away from the private enterprise companies who provide the programs and the agency of the state which is, of course, the Independent Television Authority itself.

Wherever there is a private sector operating on licences from the government, there will have to be an agency of the state supervising that sector, even if it does nothing whatever except decide who will in fact be licensed to operate and who will not, because there will always be more would-be broadcasters than there can be broadcasters. Every free country has had to set up an agency of the state to choose who shall be allowed in and who shall not. This is what the FCC is doing most of the time. This cannot be avoided because this is an essential part of the system. The real question it seems to me is whether, given that you have to call into existence an agency of the state to supervise the private sector, you wish it then to have anything to do whatever with the supervision of the public sector. Now the United Kingdom's answer to this is: Let it have nothing whatever to do with the supervision of the public sector. You have already a body called the Board of Governors of the BBC who were appointed to do that very thing, and either they can do it, in which case they ought to be left to do it, or they cannot do it, in which case they should be changed.

This seems to me to be the absolutely crucial problem and if I were a member of your Committee I think I would be saying to myself: "This above all else is what I am trying to decide."

Mr. PRITTIE: What I am trying to decide in my mind is whether the broadcasting authority should have purely regulatory and rather negative power over the private sector, or whether it should have a more positive control as a Board of Directors of private broadcasting. This is something we will have to think about.

You heard me this morning ask Sir Hugh Greene some questions about the relationship of himself as Director General to his board, and the relationship of yourself to the members of your Authority. Are they pretty much the same? To whom is the fire directed if there is criticism of the ITA; does it mainly go to the Chairman of the Authority or to yourself?

Sir ROBERT FRASER: As Sir Hugh was answering your questions this morning, I thought to myself: "If I were sitting in the chair where he is, I would be answering these questions about myself in exactly the same way." Our positions are identical. I think I would place a bit more emphasis than he did this morning—though not necessarily than he did this morning—on the personalities of this. A good Chairman of the ITA—and I imagine this would be equally true of the BBC—may be perhaps a quiet former civil servant with no particular interest in or flair for public relations and the public appearance, a wise sensible, clever man, experienced in organization and with long years in the civil service, but doing the job in a rather quiet and unobtrusive way. At the same time you might conceivably have a director general who has knocked about a good deal,

the rough-and-tumble of life, with journalistic experience, with a general kind of feeling for public relations and you might well find—as in those little Swiss weather toys where the girl comes out and then the man comes out, according to the weather—a situation in which you did get that kind of movement according to the personality of the Chairman and the Director General. I would not basically disagree with anything that he has said.

I happen to have at the moment a Chairman who was already a famous public figure before he became Chairman of the Authority, one of the best known names in the country, largely because of broadcasting opportunities which he received during the war. Immediately he becomes Chairman of the Authority, the position changes. Those are just the accidents of personalities. The only thing this leaves me to say is that apart from getting the organization right—and it is a platitude to say this—I do think it is most frightfully important to pay regard to the personal qualities of the Chairman and the Director General.

Mr. PRITTIE: Again the same question. Do the members of the authority meet very frequently? Are you in almost daily contact or at least several times a week with the Chairman of the Authority?

Sir Robert FRASER: Yes. Once again the answers are very much the same. Of course, as Sir Hugh said, the BBC's governors have a much more extensive responsibility than the members of the ITA. They have the sound broadcasting services and the external services and we have just one television service.

The full Authority meets once a month. It has subcommittees which also meet once a month, half way in between the meetings of the full Authority. They are all part-time members. As with the BBC, the Chairman of the Authority makes it his first interest. There are very few days on which he does not actually come to the office. He and I have adjoining rooms and, as Sir Hugh described this morning, we have a door between the two rooms which opens without having to go out into the corridor, and it would be a strange day when he does not open the door and come in and tell me to do something or ask me about something. Sometimes I go in and consult him. It is a very close relationship.

Mr. PRITTIE: Thank you. I would like to ask you a question about finances. Is it true that Lord Thomson ever made the statement attributed to him about the licence to print money?

Sir Robert FRASER: If he had maybe he wished that he had not.

Mr. PRITTIE: I was reading one examination of British broadcasting by an American author, whose name is Mr. Paulu, and he showed how there were losses in the initial years and then very big profits later on. The program companies themselves pay the Authority a certain amount of money and pay income tax, as any other company. Is this the situation?

Sir Robert FRASER: Yes. The financial history of Independent Television is that after the first 18 months we were absolutely on the very brink of bankruptcy; in fact, there were many who thought it was all over, that we were done for, and we just could not pay the bills and that was that. That period lasted from our first air date, which was in the autumn of 1955, until about the end of 1966, and then absolutely suddenly—we did not so much turn the corner as whiz around the corner—the companies found themselves very rapidly extremely

profitable—extremely so. They not only got back all the money that they had lost which ran into millions, but they made very large profits.

The third stage was about two or three years ago when the government imposed on the income of the program companies what we call the exchequer levey, which is a deduction which they have to pay to the exchequer. We collect it, but we simply act as the postman. This is a deduction from their advertising income which they pay in this form of exchequer levy over and above normal taxation.

Mr. PRITTIE: It was a special tax because they were doing so well.

Sir Robert FRASER: Yes, and what with the exchequer levy and normal company taxation, the position in the United Kingdom at the moment is that the Independent Television has an income of about 80 million pounds net and of that 80 million pounds, 40 million pounds by normal company taxation or the exchequer levy finds its way into the exchequer. It is almost enough to pay for the BBC.

Mr. PRITTIE: Then the Authority itself retains some of the earnings and turns part of it over to the exchequer. Is that right?

Sir ROBERT FRASER: Roughly so. The Committee will understand that one of the differences about Independent Television is that whereas the Authority produces no programs and has not studios, oddly enough, the program companies have no transmitting stations and transmit no programs; the programs that they produce are, as it were, supplied to the authority and transmitted from transmitting stations which we build and which we staff and, of course, which we own.

When we are ready to go into a new area such as, let us say, northeast Scotland, the initiative does not come from somebody in northeast Scotland who asks, "Can I have a licence to operate a television station here?" The initiative comes from the Authority which says, "We have now taken the physical basis of independent television into northeast Scotland, and we are ready to appoint a program company. Would those who would like to be considered for appointment as the program company for northeast Scotland, pray hold up your hands." Those people who hold up their hands are then interviewed and the licence, as it were, is granted. However, in broadcasting terms of other countries, we do not, in fact, say that they are licensed; we simply say they have entered into a contract with the Authority for supply of programs to the Authority. In a sense, they then become the authority's programs.

Mr. PRITTIE: Mr. Chairman, I will just ask one last question and then pass to other members. Is it your responsibility to make sure that the program companies present the proper mix of programs; that is so many musical shows, so many crime dramas, so many public affairs programs, and so on?

Sir ROBERT FRASER: Yes. Once again, to go back to this problem of powers and functions, many of these standards do not stem originally from the Authority, but are applied by the Authority because they are in the act of parliament, which parliament passed, and it is the Authority's business, as we often say, to carry out the act of parliament as parliament decides that it should be. When you, in fact, read through the television act, you will find that when you add it all up, it contains a fairly detailed description in general terms of what

sort of a service Independent Television should be. The words: information, education, and entertainment, which appear in the charter of a licence of the BBC, also appear in the television act. The television act also says that programs are to be balanced, however you interpret that phrase. It is the television act which says that the programs of Independent Television should be impartial in controversial matters, and in all matters relating to current public policy. It is not open to the Authority to let one of our program companies editorialize, as the FCC is prepared to let an American broadcast editorialize, so long as the broadcaster is fair and allows the other side an equal right to reply to its editorializing; it is not open to us. Standard after standard, some of them qualitative, are laid down in the act and a very large number of other requirements are laid down by the act—that is to say, by the minister for parliament, but by the minister.

Mr. PRITTIE: For example, in respect of the company producing in Scotland, is it the Authority's responsibility to determine what the proper balance is and to tell them if they are getting out of line?

Sir Robert FRASER: Yes.

Mr. PRITTIE: I looked at the ITV of 1964, which was the latest one I could find in the library, and I noted with interest that it was bilingual in places; there is printing in Welsh in parts of it here.

Sir Robert FRASER: Yes.

Mr. PRITTIE: Thank you.

Sir Robert FRASER: Even in that regard, you see, you have hit upon another example of the power exercised by the minister himself. Independent Television, as you know, is regionally organized—plurally organized—as is indeed the private sector in Canada and it is a statutory requirement that a proportion of programs likely to particularly appeal to that particular community, shall be included in the transmissions of the resident program company, including programs in any language that might be spoken in the area. So that, the inclusion of Welsh programs and the transmission of the Welsh program company is really a statutory requirement.

Mr. PRITTIE: Thank you, Mr. Chairman.

The CHAIRMAN: Mr. Jamieson?

Mr. JAMIESON: Sir Robert, I am not sure that I understood correctly the comments that you made with regard to the role of the Postmaster General, and through him, the cabinet or government, and the way in which Sir Hugh expressed it this morning. You were probably saying the same thing, but I got the impression from your comments that you are inclined to feel that he does have quite a strong and continuing authority which he can exercise over the activities of broadcasting.

Sir Robert FRASER: Sir, the only adjective I would take out of that is "continuing". Let us take, for example, the case of Independent Television. The standards to be observed were defined, first of all, in the act of 1953, and were left untouched until the 1963 act which was then consolidated into the 1964 act. In the 10 year interval important questions of principle and policy were certainly

laid down by the government. In so far as we have a minister, of course—which we have not—it is the Postmaster General and once these broad questions are settled, it is certainly then left to the operating agencies to apply them. It would be very rare—almost unheard of, perhaps absolutely unheard of—for the Postmaster General himself to say to either of the operating agencies, "I do not agree with the way in which you are applying this particular principle", or "I do not think that you are observing this particular policy, pray explain to me, why". This would be unheard of.

Mr. JAMIESON: Is there any kind of a regular or routine reporting to the Postmaster General in these interim periods of quite a number of years, or are you required to merely submit an annual report or something of that nature?

Sir Robert FRASER: There is a good deal of formal, occasionally—and much more frequently, informal—to-do with the Postmaster General because things are always arising in broadcasting which relate to his powers. This is true particularly in the technical field, of course, and one is in constant touch with the Post Office because you cannot build a television station or any broadcasting station in the United Kingdom or anywhere, without the agreement of the Postmaster General and you cannot invest it with any technical characteristics of which he has not approved. So, in technical other fields, a good deal goes on. By and large, it is the annual report to parliament from the two operating agencies that is the accounted stewardship, as it were.

Mr. JAMIESON: This is somewhat of a hypothetical question I asked the same one of Sir Hugh this morning but you have been very generous in advancing useful opinions. I think you would agree that your system in Britain is fairly simple to administer because of a number of factors which are not present in Canada, or because perhaps there are factors in Canada with which you do have to cope. The CBC, being partially commercial, for instance, creates an area of potential conflict with the private sector, and there is also the fact that the CBC must make use of a substantial number of private affiliated stations. Given these factors, do you see your system working if you had those, if you like, complications?

Sir ROBERT FRASER: I think there are three problems here of which one is important and the other two do not seem to me to be so important. I think it is possible to make too much of the fact that a national broadcasting service, such as the CBC, receives a direct exchequer grant. I would not really attach so much importance, as Sir Hugh plainly does, to the difference between a licence fee which after all is a state imposed tax, collected by the state at a level determined by the state and passed through the exchequer before it arrives at the operating agency. Nor would I think that it was very troublesome that the CBC, to have a national service, relies on private affiliates, I do not know what the answer to this problem is but I think this is a nut to crack—I do not think it is difficult that the CBC receives public funds; I think it is difficult that the CBC receives advertising income because this throws up a number of problems which would not be there but for this. I can see that it must be a problem to determine what fair advertising rates are. It seems to me it is possible that somebody might say, "Well, the only reason that the state service can offer for sale advertising on this tariff is because, unlike the private operators, it is not in receipt of public

money". This rate problem, as it were, seems to me to be a potentially difficult one. I have not the faintest idea whether it has created difficulties in Canada, but theoretically, I think one would have to admit that it could.

Mr. JAMIESON: Yes, I would agree. I think also—and this is more of an observation than a question because you cannot be expected, of course, to answer it—the affiliation aspect of it is important also for the commercial reason.

Sir ROBERT FRASER: I see.

Mr. JAMIESON: In other words, you can scarcely separate one from the other.

Sir ROBERT FRASER: Yes; of course I see that.

Mr. JAMIESON: Sir Robert, what it really amounts to is that in your British system you pretty well go your own way, other than using the legislation and so on, which was originally prescribed and then amended, as your yardstick in between major inquiries.

Sir ROBERT FRASER: Yes.

Mr. JAMIESON: Is there, in the case of ITA, the same kind of exchange of memoranda, as was described by Sir Hugh this morning between the BBC and the Postmaster General, with regard to aims, objectives, and that kind of thing?

Sir ROBERT FRASER: No, there is not. There is not really because the television act itself is so comprehensive an instruction as to what its duties are and what standards parliament expects to be observed in Independent Television, as to make it unnecessary. A sort of curious example of how illogical and untidy things can be in Britain, despite what I have said about the simplicity of this, is that the obligation on Independent Television to maintain impartialty in its programs and to avoid offences against good taste and decency, is set out in section 3 of the television act whereas they are not, as Sir Hugh said, included in the charter of a licence but are to be found in some almost semi-private correspondence between the chairman and the Postmaster General.

Mr. JAMIESON: May I ask you, in that connection—and recognizing as I do now that it is up to the authority to determine whether, for example, a program is impartial or whether it is decent, and all of these things—do you have very much of a problem trying to decide if, in fact, impartiality, or these other considerations, are being met?

Sir ROBERT FRASER: Yes. I think, in fact, if somebody said to me, "What are the most difficult days you have had in the last 10 years—not the most arduous, but the most difficult?" I think I would say days in which I have been conducting the Authority's end of an argument about whether a particular program was fair or unfair. For what it is worth, of course, there is a great storehouse of experience in the actual seeing of it. I would say that some of the most difficult cases the FCC ever faces are cases that arise under the FCC's fairness doctrine.

Mr. JAMIESON: So you run into exactly the same thing in British broadcasting.

Sir ROBERT FRASER: Yes.

Mr. JAMIESON: How about the matter of so-called good taste, which is the one that seems to plague us pretty steadily here. Is it similar in Britain?

Sir Robert FRASER: It is equally difficult and, of course, to some extent we bat on the same wicket here. There are very great regional differences differences in the United Kingdom between what is acceptable in terms of good taste and decency, and what is not. If I can put it in an understandable way, you can in fact get away with, in the south, programs that you could not get away with in Scotland or Northern Ireland. There are great differences in what is felt to be decent and acceptable. Not only are there these constant regional differences but, of course, there are also great changes in the population as a whole as to what is acceptable or not. The change that has come over the face of British television in this respect in the last five years is absolutely immense. But this is not a television phenomenon, it has happened in the British cinema; it has happened in British books, it has happened in the British films, it is just a change in what you may call contemporary culture. We in the ITA have seen this to some extent and rather laughed at ourselves because we have refused to transmit a programme one year, and perhaps the programme company has said to us as little as 18 months later, "Look, would it still be possible to use this programme; it is not out of date. Will you have a look at it and see whether you would be prepared to pass it." We have sat there solemnly and looked at it and said to ourselves, "Why on earth did we refuse to allow the transmission of this programme?"

Mr. JAMIESON: All of which brings me to a most interesting question. I take it from what you have just said that in fact the ITA does exercise a pre-judgment on programming and does not see anything particularly wrong with this. In other words, you do not simply let your programming contractor programme, and then perhaps ridicule them afterward or criticise it?

Sir Robert FRASER: Far from it. I have said it was a constant element, an inescapable element in this situation, that where you had a contract with private companies, you must have an agency of the state to supervise it. Now that says one thing; what it does not say is how close the supervision ought to be. Now, according to their philosophy, expressing itself in their politics, people will answer this question in a different way. There will be those who think that a very firm grip should be kept on the private operator, that the agency of the state should concern itself very closely indeed with what is being transmitted. At the other extreme you would find people who would say, "Let the agency of the state let the private operators, within broad standards of what is regarded as acceptable get on with it. In other words, the legislation or whatever the rules that we have which govern this, either can move the agency of the state very closely in toward the programme companies, confining their own freedom of movement, or of course it can define a different relationship in which the agency of the state draws back a good deal. If you look at where this line was drawn in our two television acts, you will find that the first act withdrew the agency of the state, the ITA itself, much further away from the programme companies than does the second act. In fact the second act, pushes the agency of the state closer in upon the programme companies.

Mr. JAMIESON: Does the programme company have to submit to the Authority a general schedule of its programming for a given period of time?

Sir Robert FRASER: It does indeed, and more than general. Once again, to come back to the Postmaster General's powers, this again is a statutory requirement. The 1964 act requires that no Independent Television programs be transmitted unless they have formed part of a schedule of programs drawn under consultation with the Authority, and prior to transmission approved by the Authority. Now, their schedules are quite detailed, there are times and programme titles. Now from these, of course, the Authority mainly judges the balancing of programs, the distribution of the program material over the accepted categories of programs, whether it is light entertainment, drama, news, school programs, religious programs, or whatever it may be.

Mr. JAMIESON: Would this requirement extend to the actual content of the individual programs, or would they merely say "We are going to present a series of "This Week"—for want of a better title? Is it sufficient that they give you an outline of their intentions in respect of that program, or do they have to come weekly and say that the contents of this show are going to be such and such.

Sir Robert FRASER: They do this once a quarter, and as television schedules change, of these four quarterly meetings only two are important. Twice a year the schedules from all the companies are approved. It is very rare indeed for the Authority to require to see even the script of a program before transmission, let alone seeing the actual program on film or tape, as the case may be. Of all the hundreds and hundreds and hundreds of programmes transmitted through the whole ITV network in a year, I should not be surprised if less than 5 or more than 10 in a whole year over the whole system were pre-read or previewed. Now there would be a larger class of program, particularly programs that might become politically controversial, where we might say to the programme company, "Look, this is a bit hot, is it not? I think you had better give us an indication of how you plan to handle this subject." Let us say it is a program on the Common Market; we might say to them, "There has now developed a political opposition inside parliament affecting all parties to the Common Market. You have not been so foolish, have you, as to forget that everybody thinks the United Kingdom ought to try to enter the Common Market. How do you plan to arrange this prgramme?" We might even say to them, though this would be very rare, "Who were you thinking of having in the program?" This would be by telephone.

Mr. JAMIESON: This is a very interesting revelation, but I think it would cause all manner of furore in this country because we seem to have at least a different kind of tradition with regard to broadcasting in the sense that any suggestion by any authority, even the Board of the CBC, that it is going to interfere with programming, generally tends to generate a great deal of dissatisfaction. When you take these steps, do you find that generally speaking they are accepted by the program contractors in good grace?

Sir Robert FRASER: Not always without an argument, but yes, I would say so.

Mr. JAMIESON: But it is a system that they have learned to live with.

Sir Robert FRASER: Yes. There is not a television service anywhere in the world organized like the British Independent Television. It is, in a sense, true to say that it is a public service. It is even possible to describe Independent

Television in one of two ways really—it is a difficult system to describe to anybody who has not operated it: at one pole you could say that it is a public service, exactly as the BBC's television service is a public service; that it is conducted by a public corporation, the ITA, which accepts full responsibility for everything that is transmitted, just as the BBC's television service is transmitted fundamentally by the Governors of the BBC; that they are both publicly controlled public services, and that the only difference of significance is that whereas the charter and licence allows the BBC to produce its own programs, the television act forbids the Authority to produce its own programs and, in effect, says to it, "You have a television service but you are not to make programs yourself." That is not the idea. You go off and get every second of the programs that you transmit from private enterprise companies, called in the Act "program contractors" and whom we have come to call program companies. We do not in fact want to make programs. Somebody once referred to "the second BBC". Now that is the description at one pole.

At the other pole you can say that this is really a system of private enterprise television—the dynamos, the engines, and to quote the famous sentence: "Television is programs so all the rest is housekeeping." Therefore the essential element in Independent Television are the program companies which make, produce and supply the programmes, and all the Authority does is to supervise this program-making process and satisfy itself that what is in fact provided to it is consistent with the requirements of the television act. These are the two poles.

Mr. JAMIESON: Sir Robert, I have just one final question. In trying to relate this to our Canadian experience, how many programme contractors or suppliers do you deal with? How many individual companies are involved?

Sir Robert FRASER: I can never remember whether we have 14 or 15. Sir Hugh may remember.

Mr. JAMIESON: It is in the neighbourhood of 14 or 15?

Sir Robert FRASER: Yes, 14 or 15.

Mr. JAMIESON: And I understand that within these, if my information and my observations when in the UK are correct, that there is a good deal of overlapping. In other words there are not 14 different companies all providing a totally different service because some of the programmes that are produced are produced for several of these.

Sir Robert FRASER: Well, roughly speaking, no national television service can live without a network; that is to say, a supply of nationally distributed programs which everybody uses. And although our 14 program companies all have their own particular regions, as the American networks—forgetting for the moment the regional stations they handle themselves, which the American networks do not—the four largest of them have emerged as what we call the network companies. That is to say, the four companies which not only produce a certain amount of material exclusively for their own use, but also between them, in fact, make the daily stream of nationally distributed network programs.

Mr. JAMIESON: I think that it would be fair to observe that while I am sure that there are many complexities insofar as your operation is concerned, the total

amount of programming and the total number of units with which you were dealing, is relatively small when compared with Canada, for example, where we have in the English language side alone—I am not sure of the last figure—some 50 or 60 basic private stations and then so many more CBC stations, and a much more complex kind of arrangement. Would you agree?

Sir Robert FRASER: I would. I do not know how the FCC manages.

Mr. JAMIESON: It is comparatively easy to ride herd on a small number of companies, but it would be more difficult otherwise. Do you have approximately the same percentage of US film as the BBC?

Sir Robert FRASER: Yes.

Mr. JAMIESON: I meant to ask Sir Hugh this this morning, but perhaps you can answer it for us. Is this figure—I believe it was something like 14 per cent that he mentioned—the same as the quota that is in fact in existence in Britain? In other words, is that the maximum?

Sir Robert FRASER: Yes it is. I think the history of it is this. Once again we come back to the powers of the Postmaster General. His powers are sometimes so dispersed that it does not always strike the outside observer that there is this great power of the Postmaster General, and that from our point of view, the fact that he has these powers is the main thing that makes the intermediate body unnecessary. Part of the television act says: "proper proportions of the programs shall be British in origin and performance." It is an interesting illustration that though the Act says "proper proportions", it is entirely left to the Authority to decide what proper is, and it would never occur to the Postmaster General to say to the Authority, "I do not agree with your interpretation of what is proper". If we made an outrageously stupid decision I dare say he would say to our chairman, "Look, this will not quite do, will it". But, by and large, it would never occur to him because, this is something for the Authority to decide. A long long time ago we decided that we would limit the amount of foreign programs to one out of every seven, and that is the origin of the 14 per cent figure. In fact, our own Independent Television quota is not expressed as a percentage; it is still expressed, because it is so much simpler, in a liable weekly running time. It is of the order of 14 per cent.

Mr. JAMIESON: Well who set the 14 per cent originally, Sir Robert?

Sir Robert FRASER: The Authority.

Mr. JAMIESON: The Independent Television authority?

Sir Robert FRASER: Yes.

Mr. JAMIESON: But does it also apply to the BBC then?

Sir Robert FRASER: No, it does not apply by any prescription of charter or licence or instruction from the Postmaster General to the BBC but—and Sir Hugh will have his own word for this—the BBC's practice has become assimilated.

Mr. JAMIESON: Thank you very much, Sir Robert.

Mr. PELLETIER: I have three questions. The first one you may have already answered.

I would just like to know how it started. Where did the money come from when the Authority built its first transmitters and got into the operation?

Sir Robert FRASER: Yes, the Authority, of course, Mr. Chairman, had to start spending money and building television stations before it has any program companies to draw an income from. The entire income of the Authority comes from the programme companies, and virtually speaking if the overseas program falls apart their entire income comes from the sale of advertising time. Provision was made for an exchequer line, and the Authority I think borrowed about £400,000 which after a year or two it paid back.

An hon. MEMBER: Out of petty cash.

Sir Robert FRASER: Out of petty cash, yes.

Mr. PELLETIER: What, if anything, does the Authority have to do with the quality of broadcasting? I mean, by that the professional standards and the amount of money spent on programming by the companies?

Sir Robert FRASER: No direct control at all; and, of course, there is only one way, as I think Sir Hugh was saying this morning, of controlling the quality of the television program, and that is directly to control the making of it. There is not any other way. Therefore, the Authority's qualitative controls can really only be expressed in a general kind of conversation, or dialogue, with the program companies, from which the program companies lure the kind of programs that the Authority thinks are a credit to Independent television, and the kind of programs that they think are not so conspicuously a credit to Independent television.

It has no control whatever over the amount of money spent on programs, on who is employed to make programs, on the way in which programs are made, or on where they are made.

Mr. PELLETIER: Are these things examined when the contracts with the companies are being revised for renewal?

Sir Robert FRASER: Yes; when existing contracts fall in and new ones have to be made the contracts themselves are completely terminated; the slate is wiped clean and anybody can apply for any of the new contracts that are going. The existing companies, of course, apply, and their performance since they were first given their contract is assessed.

There is an important footnote to that. Since the Act now requires the program companies to transmit in accordance with schedules drawn up in consultation with the Authority, and approved by it, it follows that over a large part of the field the Authority is either satisfied with the performance of the program company, or, being dissatisfied, will have said so at some much earlier stage, at the moment of the submission of a schedule, and will have required changes then to be made that will make it seem a more satisfactory program company from the Authority's point of view.

Mr. JAMIESON: Is it difficult for you to criticise what you have previously approved?

Sir Robert FRASER: Well, the curiosity of it is, you see, that although, as I was saying, the 1964 Act increases the power of the Authority so much over the

program companies, yet at the same time it makes the position of an individual program company more secure than it was before, because the program company will of course turn round and say: "If you do not think very much of us, why did you not say so when you passed those schedules which we had reason to believe you thought were so splendid?"

Mr. PELLETIER: Does the Authority have the power to apply any sanctions to the program companies?

Sir Robert FRASER: Yes, it has, indeed, Once again there was a change between the two Acts. The first Act provided for monetary penalties. We decided that these were absolutely worthless and that we had no interest in their continuation. In fact, the second Act drops the monetary penalties; but the sanction is this: The Authority, under a contract with any programme company, can, as it were, convict it of a breach of the contract and of the Television Act. It can say to a program company, "In our view that program was so indecent, or outrageously unfair as to constitute a breach of your contract with, and a breach of the Act", because the provisions of the Act, of course, are carried into the contracts between the Authority and the companies. If it has occasion to say that three times to a program company during the duration of the contract, the contract with that program company can be terminated then and there, and the company is out. If you ask me "Is that at all likely to happen", the answer is "No, it is not". But that is not to say that it is not a help in operating the system to have the power there.

Mr. JAMIESON: Is there any appeal from this decision of ITA?

Sir Robert FRASER: There is an appeal on various formal points, but there is appeal against the rightness of the Authority's decision. An appeal could succeed only if the program company were able to persuade the arbitrator, for whom the Act provides incidentally, that the Authority's opinion had not been reached in good faith, or with due consideration, or had been reached with some motive other than the one the Authority claimed, or, if, more formally, it could show that it had not received notice of the breach within the prescribed time. In that type of situation there is an appeal, but there is no appeal against the Authority's view, honestly reached, that it was an unfair program—so unfair as to constitute a breach of the Act.

Mr. JAMIESON: Thank you. Perhaps the Chairman would permit me to ask who the arbitrator is? Is it a court, or a person, or a nominee?

Sir Robert FRASER: It is an unnamend person, to be agreed between the Authority and the program company, and, in default of agreement, to be nominated, I think, by the President of the Law Society.

Mr. MUNRO: Sir Robert, what degree of monitoring takes place? I do not know whether it was brought out this morning whether on not the BBC indulged in this type of activity. Does the ITA do any monitoring of its contractors' programs?

Sir Robert FRASER: Complete.

Mr. MUNRO: Complete?

Sir Robert FRASER: All programs are monitored at the time of transmission; "monitored" meaning watching them and making notes about them—notes with particular reference to possible breaches of the Act.

Mr. MUNRO: I see.

Sir Robert FRASER: We do not encourage the monitors to say "I did not like that program", or "I thought this was gorgeous." The monitors' instructions are to concentrate on consistency between the programs and the Act.

Mr. MUNRO: Physically how do you do this to cover the whole private system throughout England?

Sir Robert FRASER: So far as network programs are concerned, they are easy to monitor because virtually all of them can be monitored in London. The network programs are therefore monitored in London and are not monitored, though they are shown, in Northern Ireland or in the North or in north east Scotland. The local programs, which are not seen outside Ulster, or outside the Highlands, are locally monitored.

Mr. MUNRO: By representatives directly responsible to—

Sir Robert FRASER: By members of our staff.

Mr. MUNRO: Just one more question, Mr. Chairman, along this line. Do you know if this kind of activity is also undertaken by the BBC?

Sir ROBERT FRASER: Well, you will have Sir Hugh in this chair. I do not know the answer.

The CHAIRMAN: We did promise to bring Sir Hugh back this afternoon because Mr. Cowan will not be here tomorrow, and Sir Hugh has kindly stayed on.

Thank you, Sir Robert. If you will be available, too, in the morning we will be glad to have you again.

Sir Robert FRASER: I am at your disposal.

The CHAIRMAN: Thank you very much for now, and we will look forward to seeing you again in the morning.

Sir Robert FRASER: I must ask your forgiveness if it is thought that I have gone to closely into what are your affairs and not mine.

The CHAIRMAN: I think you have been very helpful.

An hon. MEMBER: You have let in some fresh air, Sir Robert.

The CHAIRMAN: Sir Hugh, would you join us again? Welcome back.

Sir HUGH GREENE: Thank you.

Mr. COWAN: Well, Sir Hugh, I would like to express my personal thanks to you for being so kind as to come over here and answer questions that we may ask you. I deeply appreciate it.

I have read the White Paper on broadcasting that was put out by Her Majesty's Stationery House in London in December. I am going to ask a series of

questions on the White Paper, but at the moment I want to deal with one or two points that have occurred to me while you were speaking.

You talk about your network in Great Britain. Do you carry the programs from station to station by telephone lines or by microwave?

Sir HUGH GREENE: By both.

Mr. COWAN: And the microwave and the telephone lines are both under the control of the Post Office Department, are they not, in Great Britain?

Sir HUGH GREENE: Partly by the Post Office; there are some connections we own ourselves.

Mr. COWAN: Is this entirely publicly owned?

Sir HUGH GREENE: Yes.

Mr. COWAN: Are the rates that you pay the Post Office for the telephone lines and microwave that you may use from them regular commercial rates or is there an agreed-upon rate between the Post Office and the BBC?

Sir HUGH GREENE: We pay what you would regard as commercial rents, yes.

Mr. COWAN: What you regard as commercial rates, or—

Sir HUGH GREENE: Well, I do not think that there would be any difference between what we pay and what the ITA pay. We have to negotiate these rates with the Post Office—the Post Office itself being to some extent these days a partially commercial organization.

Mr. COWAN: What percentage of the total expenses of the BBC would be represented by what you pay the Post office for telephone and microwave connections from station to station?

Sir HUGH GREENE: I would not be able to give you that figure at all, I am afraid, off the top of my head. I can tell you what we pay them for collecting the licence fees, but I am afraid I do not know what we pay them for rentals and so on.

Mr. COWAN: Britain being such a small country compared to Canada, I wondered what the percentage your telephone rates would be of your total expenses because of the limited area—limited compared to Canada—that you are covering with your networks.

Sir HUGH GREENE: Well, if we turn to this useful publication—

Mr. COWAN: Which many of us have not seen.

Sir HUGH GREENE: —the BBC hand book—from which, I can assure you, am often tempted myself to give the answers to questions—I see that for SB and intercommunication lines we paid in the year ended on the 31st March, 1966, just over a million and a quarter pounds, which is 3.30 per cent of our total expenditure. That is in television. For sound broadcasting we paid 350,000, being 2.04 per cent of the total sound broadcasting expenditure.

Mr. COWAN: Well, that is certainly not the answer to the question that I asked you, sir. I do not know whether you had any hand in preparing this White Paper, but I regret that whoever prepared it did not use capital letters in black

bold faced type in the third paragraph of the first page where this sentence appears:

> It is not enough that they should be desirable in themselves. The overriding consideration is whether the country can afford them.

I am glad to know that there is one country that has an overriding consideration, apart from the desires of its residents, about whether they can afford them or not. I think that we will try to emphasize that over here, but it is probably one of the things that Canadians will resent being told by the old country. I congratulate the people who put out the White Paper on that comment.

Sir, the White Paper refers to your licence fee system. On page 5 it mentions licence-evasion, and in paragraph 13 it talks about counter-measures:

> The Government are reviewing the penalties which Magistrates may impose on convicted evaders.

and you talk about enforcement.

I understand that in Scotland you have an independent Scottish television network.

Sir Hugh GREENE: No; we have the BBC Scottish Region and Independent Television has independent television companies. There is no extra independent Scottish broadcasting service.

Mr. COWAN: You said this morning that the television audience in Great Britain is captive because of the fact that the world is round, I presume, but that on sound you can pick up Radio Luxemburg. If a person—you call them evaders—does not pay his radio licence fee in Great Britain and says he never listens to the BBC but confines his attention to Radio Luxemburg, what is the answer—you use the word "enforcement"—of the enforcement officers?

Sir HUGH GREENE: The answer of the officers is that it is in law irrelevant for what purpose he uses his receiving apparatus. He is paying this licence fee for the maintenance of the receiving apparatus within his home, whether he uses it or not, or for whatever purpose he uses it.

Mr. COWAN: The licence fee, as you call it, is really a tax.

Sir Hugh GREENE: I suppose it is a form of tax.

Mr. COWAN: The reason I put it that way, sir, is because paragraph 14 refers to "magistrates", "penalties", "enforcement" and "convicted evaders". Because you can be prosecuted by the Crown for not paying the licence fee this could be called a tax could it not?

Sir Hugh GREENE: It is exactly the same, really, in principle, as the licence you buy for your motorcar or for your dog. These are licence fees imposed by the state and if you do not pay them you can be brought up before the courts and be prosecuted.

Mr. COWAN: I remember when licence fees were imposed on radio in this country, and the trouble that arose in effecting the collection of them. I asked you about Radio Luxemburg because people here who did not pay the licence fee, used to state that they never listened to a Canadian station. This is a nation of 20 million people, about 200 miles in depth and about 3,500 miles in width,

and a very great majority can listen to American stations at their pleasure. When they said that they listened only to American stations and did not pay any attention to the Canadians stations the wrangles were continuous and frequent.

If a person in Great Britain has two or three radios in his home how many licence fees do you collect?

Sir Hugh GREENE: It is only one licence fee per household; not per set. An extra licence is required for a car radio, but only if it is a fixed set.

Mr. JAMIESON: What kind of a fixed set, sir?

Sir Hugh GREENE: A portable set taken into your car does not require the payment of a licence fee, but a set built into your car does.

Mr. COWAN: Surely a fixed set on four wheels would be portable.

Sir, do you mean that the average family with a home and a car would have to pay two licence fees?

Sir Hugh GREENE: Yes. They would be paying a car radio licence fee as well as a licence fee for the set in the home. Almost every home has a radio set, and we are approaching the situation in which virtually every home will have a television set, when that home pays a combined licence fee. The number of car radios, perhaps partly because of evasion—it is an easy form of evasion—is comparatively insignificant. I think it is only about half a million.

Mr. JAMIESON: What is the combined licence fee, sir?

Sir Hugh GREENE: The combined licence fee is five pounds. The radio only licence fee is one pound.

Mr. COWAN: It is five pounds for the combined licence, and for the sound only it is one pound five shillings.

Sir Hugh GREENE: I beg your pardon; you are quite correct when you say one pound five shillings. You are correcting me, Mr. Cowan.

Mr. COWAN: I am just reading from the White Paper, sir. There are some people in Canada who will not like this statement on page 4:

> The BBC have reported that, by making special economies,—

That is a bad word in the CBC on this side of the water. I would like to congratulate you for being free to use the expression, and I am sure that you mean it.

On page 4, in paragraph 12, it states:

> —Against the background of continued financial stringency, can be sacrificed to the overriding national need for economy.

I admire you for the practice of referring to an overriding national need for economy when you discuss such things as broadcasting, either radio or television. The White Paper even goes on to refer to retrenchment on some large scale projects, desirable in themselves, for enlarging and modernizing the corporation's premises. It is nice to know that you evaluate the desires, and whether or not the BBC can afford them. That is quite different from what we do over here. If we desire something over here we go out and get it.

Mr. PRITTIE: I do not think the BBC wrote the White Paper, though.

Mr. COWAN: It is certain that the CBC did not write it, I can tell you that.

Sir Hugh GREENE: When the words "desirable in themselves" are used that, of course is representing, in a White Paper, the view of the government, which is all the better for that.

Mr. COWAN: Speaking about "desirable in themselves" on page 7, paragraph 30, refers to gramophone records, and it states in part:

> The programme would provide each day a blend of output to meet the needs of the audience for popular music.

The word "needs" is used here rather than "desires", or "wishes". Is it a necessity in Great Britain to provide popular music from the BBC?

Sir Hugh GREENE: I would again point out that this is a government White Paper and not a BBC statement.

Mr. COWAN: I thought, since you live in Great Britain, that you might know the feeling of the people. Is popular music a need over there rather than a desire?

Mr. MACDONALD (*Prince*): On a point of order, Mr. Chairman, I cannot see the point of Mr. Cowan carrying on an inquisition on a paper that was not even published by the British Broadcasting Corporation. It seems to me that this line of questioning does not relate very much to the witness who is presently before us, and that it is not quite fair to him.

Mr. COWAN: Before you came in this morning, Mr. MacDonald, the Chairman said that the questioning of Sir Hugh Greene, to which he has kindly submitted himself, would be in two parts; first, on the organization of the BBC and second, on the White Paper.

The CHAIRMAN: Perhaps, Mr. Cowan, we should be dealing with our own White Paper; but certainly there is no reason why Mr. Cowan should not pose questions about the British White Paper if he hopes for answers that will shed light on our own White Paper.

However, I think the point of order has some merit and that Mr. Cowan might try to direct his questioning to something of significance to our own White Paper rather than to simply analysing the British one.

Mr. COWAN: On page 6 of the British White Paper, it says:

> It is the Government's view that the cost of colour programmes, which are likely at the outset to be available only to a small minority of viewers because of the cost of receivers, should not fall upon viewers in general. Accordingly a supplementary licence fee of £5 will be required from those equipped to receive colour programmes.

Am I allowed to commend the government for that paragraph?

The CHAIRMAN: I gather that you ask the witness a question.

Mr. COWAN: Is there any colour television in Great Britain yet?

Sir Hugh GREENE: No; not until towards the end of this year.

Mr. COWAN: Does this mean, for instance, that the average family will be paying the combined licence fee to which you referred earlier, plus a car fee, plus a £5 fee for coloured television?

Sir Hugh GREENE: The car fee of course, is separate and is paid only if you have a radio set fixed in your car. The combined licence fee for the owner of a coloured television set, once this differential is introduced, will be £10 and if the combined licence fee goes up to £6 in 1968, then the combined licence fee of the owner of a coloured television set would be £11.

Mr. COWAN: There is quite a similarity between your paragraph 30 and what goes on in Canada. Paragraph 30 states:

> The BBC have informed the Government that, on weekdays, the programme would broadcast popular music continuously from 5.30 a.m. to 7.30 p.m., and again from 10 p.m. to 2 a.m., and on Sundays, for most of the day's broadcasting. Over six hours of music each day would be played from gramophone records.

Do you pay telephone line charges to broadcast these gramophone records being played on one station to the network, or do the gramophone records originate in each station?

Sir HUGH GREENE: This is a network service.

Mr. COWAN: It is cheaper to pay the telephone service than to pay for the gramophone records in each of the stations on the network?

Sir HUGH GREENE: Yes, indeed.

Mr. COWAN: This morning, in talking about the content of the programs in Great Britain, you said that the United States content was about 14 per cent of the total. When you talk about 14 per cent being United States content does that include records with American bands—records made in the United States?

Sir HUGH GREENE: This figure of 14 per cent which I gave applies to television only.

Mr. COWAN: What would the answer be with respect to radio?

Sir HUGH GREENE: Insignificant; I do not even know the percentage. The American element in radio would be very tiny.

Mr. JAMIESON: Including the recordings?

Sir HUGH GREENE: Yes, even including the recordings. No one has ever taken the trouble to establish this figure because it is so unimportant in radio.

Mr. COWAN: On page 7 of the White Paper it states, in part:

> The remainder would be either live broadcasts or BBC recordings of popular music especially made for the service. You talk about six hours of music from gramophone records, and in addition, BBC recordings of popular music. How much of the time is recorded music, either by gramophone records or by BBC recordings.

Sir HUGH GREENE: In the case of gramophone records we are restricted to a faily small total of hours. This is because the gramophone companies under the Copyright Act of 1956—I think I mentioned this this morning—can control the

amount of use of commercial discs. The amount of recordings that we can make depends on negotiations with the Musicians' Union.

Mr. COWAN: What would be the total number of hours, taking six hours of music each day from gramophone records plus BBC recordings of popular music especially made for this service?

Sir HUGH GREENE: I am afraid I could not tell you what the total of recorded time is as compared with live music.

Mr. COWAN: You mentioned that only a few hours—

Sir HUGH GREENE: Only a few hours of commercial discs or commercial recordings—gramophone records, or whatever one likes to call them.

Mr. COWAN: Six hours a day is still six hours a day, and it says "each day".

Sir HUGH GREENE: But that is a very small amount when divided over three networks.

Mr. COWAN: Over three networks?

Sir HUGH GREENE: Yes.

Mr. COWAN: It is not six hours a day on each network?

Sir HUGH GREENE: No.

Mr. COWAN: Well, it does not make that comment here. It just says that it is over six hours a day. It states:

> 36. The Government believes that local radio organised and produced as a public service, would be most likely to realise those social purposes to the full; and would at its best prove an integrating and educative force in the life of the local community—

When you speak about integrating, this is integrating what classes, or masses or sections?

Sir HUGH GREENE: I would think that probably what is meant by the government in that paragraph is that local broadcasting could give the people living within a community a greater sense of belonging to that community and a greater interest in local government. That is what I would assume to be the meaning.

Mr. COWAN: Integrating the people in the community in which they live.

Sir HUGH GREENE: Yes, integrating the people in the community in which they live.

Mr. COWAN: Again, I would like to commend whoever wrote paragraph 37, about the increase in broadcasting services—

> 37. Valuable though it may be in itself, it cannot at present command a high place in order of national priorities—

I again commend the British for having a system of priorities in this field.

I would also like to refer to paragraph 43 of the British White Paper on Broadcasting where it states:

> Pay Television: The Conservative Government authorized an experiment to last three years and granted a licence which will not expire before January 1969.—

What is this experiment? It is strange to us.

Sir Hugh GREENE: I think there have been similar pay television experiments in Canada and in the United States.

Mr. COWAN: Yes; right in my own riding.

Sir Hugh GREENE: Yes. There was a decision by the previous government that they would allow pay television companies to operate experimentally in certain localities for a period of three years. Originally quite a number of companies were formed for that purpose and approached the government for such a licence. In fact, with the exception of one such company deterred, I imagine, by the financial risks—they all dropped out. So that the experiment proceeding at the moment, and going on until the beginning of 1969, is a very small experiment indeed. It is confined to one area of London and to the city of Sheffield, in Yorkshire.

Mr. COWAN: The subheading is "Pay Television." Are they referring to what is known on this side of the water as "theatre-in-the-home"?

Sir Hugh GREENE: Or "coin-in-the-slot" television, or—

Mr. COWAN: Yes; but not Community Antenna Television?

Sir Hugh GREENE: No.

Mr. COWAN: The White Paper says:

> The Government accept this decision but they will not allow a situation to develop in which the vast majority of viewers are denied the viewing of major sporting events.—

How do you make a professional football player for, say, the Glasgow Rangers play for the general public in Great Britain?

Sir Hugh GREENE: I think that what I am going to say applies to the ITV as well as to the BBC. We do have very great difficulty in obtaining the rights in live transmission of football matches, and we are extremely limited even in the permission we obtain for the recorded transmission of football matches. This is because the owners of the football clubs are extremely nervous about the effect of television on their attendances.

Mr. COWAN: I am speaking about the players more than the owners, sir. What compensation do the players get from the BBC when you broadcast television programs involving soccer games?

Sir Hugh GREENE: The arrangements, of course, are all made first of all with the Football Association and the Football League and then with the individual clubs. Our payments are to the clubs. I think that from those payments clubs do make a payment to the individual player but I am not sure about the basis on which this is done.

Mr. COWAN: I was in Great Britain in July when the World Cup was on. There seemed to be wild excitement in London over it and they were demanding

that it be broadcast over on this continent. Some feverish efforts were made to do that, because of its great international significance.

I read in the London newspaper that the star of the West German team was returning on a certain boat to France and that he got $63.40 for his participation in about four games during the week. How much of that $63.40 do you think was from television payments?

Sir Hugh GREENE: I am afraid I have not a notion.

The CHAIRMAN: Mr. Cowan, I think we are straying rather far from our White Paper on broadcasting. I think perhaps you should bring your questioning back under the terms of reference of the Committee.

Mr. COWAN: I wanted to ask how the British government proposed not to allow a situation to develop in which the vast majority of viewers are denied the viewing of major sporting events. In Canada and the United States professional heavyweight boxing championship bouts are not shown on the general TV screens. They are on closed circuit to theatres, hotels and arenas. How is the government going to do that?

Sir Hugh GREENE: This is, indeed, a very considerable problem, particularly in connection with the closed-circuit television of sporting events. I think I would be right in saying that the government has very little chance to intervene there.

Pay television, however, is a system licensed only as an experiment for the moment by the government, and, therefore, the government in the long term can say quite realistically—as they do in this White Paper, in effect—that when this experiment comes to be reviewed one of the factors which they will have to take into account is how far pay television has had, or threatens in the future to have, the effect of denying big sporting events to the audience—the BBC and ITV —who have been used to getting them as part of their normal broadcasting service without extra payment.

Mr. COWAN: Sir, in both the United States and Canada professional sport has been exempted from the anti-combines and anti-trust laws of these two countries. What is the situation in Great Britain in that regard?

Sir Hugh GREENE: We are not burdened to the same extent with anti-trust laws as are the United States—I do not know about Canada—or as are the countries of Europe in the Common Market under the Treaty of Rome. We in the United Kingdom are much freer in that respect.

Mr. JAMIESON: May I interrupt, Mr. Cowan, because I think it is important here...

The CHAIRMAN: I hope your question will be more relevant than the last one.

Mr. JAMIESON: I think it is dead on. What I would like to ask is whether there is any negotiation, or any sort of co-operative activity, between BBC and ITV with regard to the purchase of sporting rights, or any organization, governmental or otherwise, that exerts any control, or is it straight matter of competitive bidding?

Sir Hugh GREENE: It is a mixture. There is a list of national events such as the Derby, the cup final, the boat race, test matches, Wimbledon, which the BBC and the ITA have agreed, with the blessing—and it is no more than a blessing —of the Postmaster General, should be regarded as national events for which neither side should obtain exclusive rights. Some of these events, such as the cup final, are carried both by the BBC and ITA. Others are carried only by the BBC.

However that is a limited field of very big national sporting events. Beyond that, generally speaking, the BBC and ITV are in competition to obtain rights. The World Cup was a case where the BBC and ITV formed a consortium to provide television coverage not only in the United Kingdom but throughout the world.

Mr. COWAN: Sir Hugh, I might point out to you that to refer to professional hockey would be considered dead on in this country, but because I asked you about professional soccer some people intimate that it is off the target. I was simply bringing up the question of professional athletes who have not as yet, been able to organize themselves so that they are compensated according to their abilities, as is the case with the ACTRA people and professional dancers, and so on.

Sir Hugh GREENE: They are organized, if I may say so, Mr. Cowan. There is a very powerful soccer players' union.

Mr. COWAN: I am speaking of on this side of the water.

Sir Hugh GREENE: I am sorry.

Mr. COWAN: I can understand that it must be a very powerful organization if that German star got $63.40 for one week's performance! I only hope it will increase in strength.

Again I would like to thank you, sir, for so far as I personally am concerned, giving us more information on questions relating to broadcasting in this country than has any other witness we have had. I admire your patience. I would like to thank you sincerely.

The CHAIRMAN: Gentlemen, there are further questions of Sir Hugh Greene and, I think, of Sir Robert Fraser.

I would like to have your guidance on whether you would like to continue for another 15 minutes or are content to come back in the morning? These gentlemen are available in the morning and we can meet from 9.30 a.m. until 11 o'clock and probably clean up any additional question that any of you may have. Unless, of course, there is some urgency, or some of you will not be able to be here tomorrow, I would suggest that perhaps we could adjourn until tomorrow morning.

Mr. COWAN: I might say, Sir Hugh, that on this side of the water we put Senators on professional football boards so that there will not be any anti-combine laws.

Mr. JAMIESON: Mr. Chairman, unfortunately I cannot be here in the morning. I wonder if Sir Hugh would mind if I asked one question? I will confine it to that.

It has to do with your reaction to what seems to me to be this rather unusual proposal with regard to the financing of local radio. It is rather a hopeful thing that local organizations and various agencies and so on are, in some way or other, going to put money into the till without coercion, or licence fees, or in any other way. Do you think this is going to work.

Sir Hugh GREENE: I think all the signs are that it is likely to work. Last week, along with Sir Mark Henig, who is charman of the Association of Municipal Corporations in England and Wales, I presided at a conference in Broadcasting House to which were invited not only local government associations of various sorts but also representatives of all the municipalities which had expressed an interest in having one of the 9 experimental stations which the government has approved in this White Paper. There were about 70 municipalities present. I am not saying that all of them are going to apply to be in the first 9—I am sure they will not—but a lot of them were seeking information.

This was a conference which went on for about 2½ to 3 hours, and enormous interest was expressed. I think the signs are that there will be certainly up to 9, and probably more, local authorities which are likely to say that they will be willing to meet the running costs of such local stations, at any rate, the second year of the experiment, which is 1968-69; it would be rather late this year, of course, 1967-68, because their budgets are pretty well already locked up.

I personally welcome this forum of experiment. The BBC has always suggested that it would be sensible to experiment with local broadcasting rather than to embark at once on a major scheme. I welcome the addition of this experiment in the method of financing.

Mr. JAMIESON: You are not concerned that this is a vest pocket development along the lines that you oppose nationally? In other words, that you would, to a degree, be financed by a municipal government under this arrangement. It seems to me that it is just a smaller example of the kind of thing that I gather you are not particularly enthused about nationally.

Sir Hugh GREENE: I understand what you mean very well. Mr. Jamieson, and I think that this is a risk, if it is a risk, which is well worth running for the end to be achieved.

The CHAIRMAN: Is it agreed that we adjourn now and resume at 9.30 in the morning?

Both witnesses will be back in the morning.

Mr. MACDONALD (*Prince*): There are those of us who will not be here in the morning. I wonder if any of them might want to raise questions?

The CHAIRMAN: I asked that just a few minutes ago, and Mr. Jamieson volunteered, as one of those will not be back.

Mr. MACDONALD (*Prince*): I think Mr. Forrestall is also in that position.

Mr. FORRESTALL: I will be here. It was just a conflict with other meetings, Mr. Chairman.

The questions which I have will be directed to both Sir Hugh and Sir Robert because they involve the advertising dollar and its role in the structure of television and broadcasting in Great Britain. I will defer until morning, if you will excuse me.

(Recorded by Electronic Apparatus)

FRIDAY, 3rd February, 1967.

The CHAIRMAN: Gentlemen, held over from yesterday and back by popular demand, we have Sir Hugh Greene and Sir Robert Fraser with us again. This morning I have asked both to join me at the table. We heard them solo yesterday, and now we will hear them in tandem. Mr. Forrestall, who indicated he wanted to put some questions to these gentlemen, is not here yet.

Mr. PRITTIE: While we are waiting, Mr. Chairman—and I will yield when Mr. Forrestall comes—could I ask a few questions about educational television, since we have the opportunity of their presence?

The CHAIRMAN: Yes, Mr. Prittie.

Mr. PRITTIE: I believe that both networks use school broadcasts. Is there any combined effort or liaison between the two networks to avoid duplication and to ensure that the various school systems who want service get it?

Sir Hugh GREENE, K.C.M.G., O.B.E. (Director General, British Broadcasting *Corporation, London, England*): Shall I start Mr. Chairman?

The CHAIRMAN: Yes, Sir Hugh.

Sir Hugh GREENE: We have a different advisory system in school broadcasting. The BBC has been in school broadcasting for more than 40 years. It set up a School Broadcasting Council, which still is, so to speak, the sponsoring body for our school broadcasts both in radio and television. This Council includes representatives of local education authorities, the Department of Education and Science, and the various professional teaching bodies, as well as members nominated by the BBC itself. In effect, this council takes responsibility for liaison with the educational world and for describing to the BBC what is needed, and we then do it. They are the sponsoring body. It is rather different from any other form of council that we have. In fact, it is more than advisory; it is really telling us what is required educationally, and the BBC then provides it.

Mr. PRITTIE: You just make your facilities available and they decide the broadcasts.

Sir Hugh GREENE: They have a staff of their own, who are BBC people, they work through the Council and keep in touch with schools and advise on the use of the broadcasts. Then we have in addition, a schools broadcasting department which is responsible for the production. We produce everything; we do not hand over our facilities to the Council. They tell us what to do and we do it, so to speak, to the best of our ability.

Mr. PRITTIE: Does ITA come into this at all?

Sir Hugh GREENE: No, ITA did not come into that at all. The liaison with ITA which does exist—I am talking about schools now; it is rather different when we get to further education—is at the operational level and the liaison: I think I would be right in saying, that the liaison is with individual program companies as well as with the Authority.

Mr. PRITTIE: Suppose a large city such as London or Birmingham wanted to put in its own closed-circuit system for educational broadcasting, could this be done free of the BBC or ITA?

Sir Hugh GREENE: So long as they were not transmitting through the air, yes.

Mr. PRITTIE: Do any of them in fact do this?

Sir Hugh GREENE: Not through the air.

Mr. PRITTIE: Are any large school systems operating closed-circuit systems?

Sir Robert FRASER, O.B.E. (*Director General Independent Television Authority, London, England*): Yes. Universities have one.

Sir Hugh GREENE: Yes, inner London has one for school systems.

Sir Robert FRASER: The largest one that is actually existing and working at the moment is in Glasgow where all schools under the control of the Glasgow local education authority are in fact wired to a central studio, also run by the Glasgow local authority. The whole of the distribution to the schools is by wire, and the syllabus and the production of the programs are both responsibilities of the Education Department of Glasgow itself. So that the public broadcasters are completely out of it, and I do not think that Glasgow even needs a licence to transmit by cable. It may do, and if it did, it would secure it by the merest formal application, if it was formally necessary. In a year or two much the biggest will be in London, because all the London schools are similarly to be wired to a central school program studio, also controlled by the Education Department of the Greater London Council. There are more and more of these closed circuit developments for formal teaching under local education authorities, all following the same pattern; all, as it were, integrated with the whole of the local teaching, controlled of course by the local teachers, and making their own programs.

Mr. PRITTIE: Will this lessen the need for the BBC educational service then, if more of these come into existence?

Sir Hugh GREENE: There is no sign of that yet, but we will have to wait and see.

Sir Robert FRASER: It could be. We think that there has been quite a decline in the use of our school programs in Glasgow, which is perhaps what you would expect now that the system is in operation. One great advantage that the local closed-circuit school television service has, is that it is so much easier to relate the syllabus exactly to the local requirements, whereas, of course, the BBC and ourselves simply have to think nationally and get as close as we can to the average needs of the schools.

Mr. PRITTIE: I suspect this will be the pattern here, Mr. Chairman, and that in the future the large metropolitan areas will be able to do it by cable, but other services still will be required for the large outlying areas of this country, those that cannot afford closed-circuit television.

Sir Robert FRASER: There is also a considerable development of closed-circuit teaching in universitites. However, this is rather a different thing; there is

no link between any group of universities, though there have been some discussions about linking universities together for common teaching. But all the closed-circuit university systems at the moment are confined to the single university.

Mr. PRITTIE: I understand. I will not take up any more of your time. Thank you.

The CHAIRMAN: Sir Hugh, I thought yesterday that Sir Robert perhaps gave a little more weight than you had done to the place of the Postmaster General in the sphere of things. Could you comment on his role any further.

Sir Hugh GREENE: I was struck by that, too. I think that Sir Robert did give a rather different emphasis to the position of the Postmaster General than I had done, or than I would do. There is not a single particular point mentioned by Sir Robert Fraser which I would for a moment want to challenge. Somehow the total emphasis, I think, was different. The way I would look at it in connection with the BBC, is that the Postmaster General makes the big decisions, or to be more accurate, the Government makes the big decisions about the introduction of colour television, the introduction of local broadcasting or what have you. Then, the decision having been made, we are left to get on with the job. One is not conscious, so to speak, all the time of an outside authority in the shape of the Postmaster General. I was trying to analyse why, from a BBC point of view, I would put the emphasis rather differently from Sir Robert Fraser's. One feels that one is breathing the air of independence in the BBC rather than the air of control by the Postmaster General. If one looks back historically, every enquiry into broadcasting in the United Kingdom has reaffirmed the independence of the BBC and sometimes extended it. That is a historical fact. In trying to analyse this interesting difference of emphasis between us. I wonder whether it derives, possibly, from the difference between a Royal Charter and an Act of Parliament that there is, at any rate, a somewhat greater degree of independence provided by a Royal Charter, which does not try to spell everything out, than by an Act of Parliament which, as Sir Robert Fraser said yesterday, does spell everything out, and spells everything out, too, in terms, as he described it, of program obligations. This is my nearest attempt at an explanation of this difference in emphasis between us about the position of the Postmaster General. I do not know, Mr. Chairman whether Sir Robert would agree with it or not.

The CHAIRMAN: Sir Robert, would you like to comment on that?

Sir Robert FRASER: Mr. Chairman, yes, I think that I would agree. I think the difference is this: that while in questions of major broadcasting policy, I think the two services are equally subject to the authority of the Postmaster General, remembering all the time, as I said yesterday, that I am using Postmaster General as a piece of shorthand. There will often be government, cabinet, parliamentary decisions behind this, but in operational ministerial terms let us just say the Postmaster General, because the cabinet responsibility falls onto that Minister. I think the difference is that while in questions of major policy we both are subject to his authority, his control, as it were, over the BBC stops when the area of major policy is exhausted, whereas with Independent Television, because we operate under a detailed statute for which he is responsi-

ble of course, and the passage of which through the House of Commons he is in charge of, this control goes a great deal further much further than just questions of broadcasting policy. To repeat a little example I gave yesterday, he actually has power to say how closely two advertising periods may be, one to the other. In fact he has not said so, he has just accepted our practices—but he has the power. And when you write down, so far as we are concerned, the full catalogue of his authority, it is very, very substantial indeed. It is plain to me that here is the substantial institutional difference between our two countries.

The CHAIRMAN: Yes, and there is a very substantial difference in the approach between the public sector and the private sector of the British system.

Sir Robert FRASER: Yes.

The CHAIRMAN: I want to ask Sir Hugh about the monitoring, or lack of it, by the BBC. Sir Robert mentioned that the Independent Television stations were completely monitored, and I would be interested in knowing whether there is any monitoring of BBC programs.

Sir HUGH GREENE: Mr. Chairman, I was very interested in what Sir Robert Fraser said about that because it was, I must confess, something new to me. I had not realized that this extensive monitoring went on. In the case of BBC, there is no monitoring. I think this is another illustration of what we have just been talking about, that the program obligations of independent television are spelled out in the television act and, therefore, great care has to be taken to avoid any breach of an act of parliament; whereas our program obligations are not spelled out in the Charter of Licence but contained in an exchange of correspondence between the chairman of the Corporation and the Postmaster General. I think you will agree that this is quite a considerable difference from having them spelled out in an act. So we have no monitoring of programs. I described yesterday, our general philosophy about the position of the producer, and otherwise our consideration of programs is based on a post-mortem general discussion inside the BBC.

The CHAIRMAN: Would you feel any less obligation to abide strictly with the understandings reached in the exchange of correspondence than you would with the provisions of a statute?

Sir HUGH GREENE: I think that there is a certain nuance there, because, as I said, in one case you might be guilty of breach of an act of parliament, which is a more serious matter, otherwise one is perhaps making an error in terms of an exchange of correspondence which does use, at necessary points, such phrases as "so far as possible".

The CHAIRMAN: There seems to be an implication that a public body with a Royal Charter will conduct itself in the public interest whereas the private interests have to be persuaded by strict legislative controls.

Sir HUGH GREENE: The position, again, is different. Sir Robert Fraser is the Director General of the Regulatory Authority whereas the BBC is a unitary body producing its own programs, taking its own editorial responsibility and not supervising the work of other bodies.

Sir ROBERT FRASER: You might perhaps say that, in a sense, a BBC program is monitored from within before it is in fact transmitted.

Sir HUGH GREENE: You say monitored from within. Of course, a good deal of programming can be live, so that it is not monitored from within in that sense. Otherwise, it is a question of the level of responsibility which is taken for the contents of a program, and there one relies upon the good sense of producers to seek advice upwards in the case of a program which they know would be a controversial one, and to take that advice.

Mr. MACDONALD (*Prince*): On this point, I was not sure from yesterday's or today's testimony whether the BBC also made use of program companies in the same way in which the ITA does?

Sir HUGH GREENE: No. Speaking in terms of television, 85 per cent of the programs that we put on the air are the BBC's own productions. Then the remainder, as you will note from what I said yesterday, would be made up mostly from American programs, and then from a small percentage of programs acquired elsewhere.

Mr. MACDONALD (*Prince*): What percentage of programs, Sir Hugh, would be produced right in your London operations as compared with the programs done, say, in Scotland or in other studios throughout Great Britain?

Sir Hugh GREENE: I could not give you the exact percentage but so far as national network programs are concerned, a very great majority of the programs are produced in London. There are programs, particularly in the news and magazine field, which are produced in our regions for regional consumption. For instance, every evening at about 6:00 o'clock the network breaks up into eleven different areas for area television news coverage. At other times there would be the occasional regional program instead of the network programs, rather more frequently in Scotland and Wales where they have an obligation to their own culture, and in the case of Wales, to their own language. The regional centres do also provide programs for the network.

Mr. MACDONALD (*Prince*): Is there much drama done outside of London?

Sir Hugh GREENE: Yes. For instance, our Bristol centre has made quite a speciality of a classical serial for Sunday afternoon, a program considered suitable for children and family use—things like "Lorna Doone" which is set in the West Country. They have done others which are not necessarily set in the West Country; quite a lot of drama which is not necessarily concerned with Scotland, is produced in Glasgow, and we have at the moment a long-running serial "United" about a football team, which is produced in Birmingham.

Mr. MACDONALD (*Prince*): This is television now?

Sir Hugh GREENE: I am talking at the moment about television.

Mr. MACDONALD (*Prince*): In connection with television, do you find that most of your programming of this nature is done live, on videotape or film?

Sir Hugh GREENE: The greatest part is done on videotape, known south of the Canadian border as "live on tape". We still do a certain amount of drama productions literally live. We do not go in a great deal for the filming of programs, which is of course not the more expensive, but it takes longer to produce.

Mr. MCCLEAVE: In this country we have a fair amount of enquiry by Parliament and otherwise into the operations of broadcasting. How many enquiries are held, say, per decade, with regard to the BBC.

Sir Hugh GREENE: I did, Mr. Chairman, mention that yesterday, on an average, about once in a decade.

Mr. MCCLEAVE: I imagine Mr. Ouimet at the rear of the room is saying "hallelujah" to that. One of your more famous exports to Canada recently was an excerpt from a film about love, marriage and sex, the more controversial portion of it being broadcast on the Canadian system. In the BBC, at what level, underneath yourself or including yourself, would controversial material be a matter for decision?

Sir Hugh GREENE: It depends very much on the individual case. For this particular program, I think the responsibility was taken at the level of the Controller of BBC-2, the channel on which this program appeared. It was not one on which I would have expected to be consulted because, in terms of the United Kingdom, it was not an exceptionally controversial program. I think that the wrong emphasis was given here by having an extract from the program instead of the program as a whole, and I think that we in the BBC must take our share of responsibility for that. I do not believe that we should have given permission for an excerpt to be used because the program had complete artistic validity when you saw it as a whole.

Mr. PRITTIE: What reaction did you get from viewers in the United Kingdom in the way of telephone calls or letters?

Sir Hugh GREENE: Very little indeed. I noticed from my cuttings that the Associated Press reported that the BBC telephone exchange was jammed and that we had hundreds of letters and so on. In fact, there were three telephone calls. One caller thought it was a disgraceful program; one caller thought it was a wonderful program and one asked why the BBC always adopted such an intellectual attitude towards sex.

Mr. MCCLEAVE: Nobody asked you for a play back in slow motion?

Sir Hugh GREENE: No. I think that the total number of letters about the program was 20, of which several congratulated the BBC for putting it on.

Mr. MCCLEAVE: Were any questions raised in parliament about it, Sir Hugh?

Sir Hugh GREENE: I do not think that there were any questions about this particular program.

Mr. MACDONALD (*Prince*): You have not had Adolph von Thadden recently in Great Britain for any television interviews?

Sir Hugh GREENE: No. He was going to come to speak in England to some sort of group in Oxford. In the end, the invitation was cancelled and I do not think his visit to England has taken place. But if von Thadden had appeared in England we should have given him news coverage, as we should in duty be bound to do. I, personally, should have very much looked forward to having him confronted on the television screen by one of our more penetrating interviewers.

Mr. MCCLEAVE: Canadian television might take note of the phrase "penetrating interviewer".

Mr. MACQUARRIE: Mr. Chairman, as a matter of information, I believe that I heard Sir Hugh say in reference to Wales they had obligations to the language. Are there no Scots-Gaelic broadcasts at all?

Sir Hugh GREENE: Yes, there are—a very small amount. I think it is just news bulletins in television and rather more in radio. The position is that in Wales about a third of the population speaks and understands Welsh. In Scotland it is a very, very tiny minority indeed who still speak Gaelic.

Mr. MACQUARRIE: But they are able to hear the tongue?

Sir Hugh GREENE: Yes.

Mr. MACQUARRIE: I am relieved. Thank you.

The CHAIRMAN: Gentlemen, I wonder if you could comment further for me on your Boards of Governors. I gathered yesterday that neither board is made up of experts on broadcasting but rather representatives from the general public.

Sir Hugh GREENE: That is right, so far as the BBC is concerned. At different times, there have been people on the Board of Governors who have been broadcasters, but I would not say, looking back, that they were necessarily always the better governors for that.

The CHAIRMAN: This would be the exception rather than the rule?

Sir Hugh GREENE: Yes.

The CHAIRMAN: Would this be true of the ITA too, Sir Robert?

Sir Robert FRASER: Equally so.

The CHAIRMAN: One of you mentioned that reappointment to your board was not the normal thing. If there is such a turnover on your boards, are the terms of governors staggered in any way so that there will not be a great change each five years?

Sir Hugh GREENE: That is the intention. Yes, they are staggered.

Sir Robert FRASER: With us, the staggering has sometimes got extremely untidy, in that we have much too large an exodus one year and not enough movement the following year. However, that happens accidentally and then slowly it is corrected as appointments fall in. We have never had a case of the total reappointment of a member for a full term. We have had a few cases of extensions of membership by a year or eighteen months and in one case, two years, but this is very rare.

The CHAIRMAN: So in the normal course, you would have a complete turnover of your boards in a five year period?

Sir Hugh GREENE: I think perhaps extensions might have been slightly more common with us than with the Authority. In my own time, in the last seven years, I can think of four or five cases of extension. I think the longest period for which any governor has served has been eight years, compared with the normal three year term. There is at the moment on the board a man whose term has in fact not been extended, but he was re-appointed after an interval when he was off the board.

The CHAIRMAN: Is there, by statute or custom, any particular distribution of the membership of the boards among different parts of your society, for instance labour, the church, universities, and so on.

Sir Hugh GREENE: Yes. For a long time the BBC has always had a trade unionist on the board; normally there has been an educationalist, and normally there has been somebody from the north of England which is the most populous part of England outside the southeast.

Mr. PRITTIE: You have your Scottish, Irish, and Welsh members too.

Sir Hugh GREENE: Yes, we have Scottish, Welsh, and Northern Ireland members as well. The other governors—the ordinary governors—are not formally appointed to represent any particular area of the country or any walk of life; it has merely proved convenient to have such representation.

The CHAIRMAN: Is this true of the ITA, Sir Robert?

Sir Robert FRASER: Yes, Mr. Chairman, it is the same. We have exactly the same three regional—it is safe to call them regional here but not in England—appointments, as the BBC does; the same three of course. This, incidentally, is a requirement of the statute which says that one member is to make Scotland his special care, I think the phrase in the statute is, and similarly with Wales and Northern Ireland. For the rest, as Sir Hugh said, they are, in a rough and ready way, drawn in a representative way from interests and specializations that make up society. For example, invariably we have somebody from the trade union movement. It would be improbable that we did not have a scientist; it would not necessarily be a broadcasting engineer—probably not—but a scientist.

There is one point which we have in mind, which I think we were perhaps both taking for granted—and I know Sir Hugh will agree. The one qualification that never applies in the appointment by the Postmaster General of a member or a governor is the party political criterion. Now it is a wicked world and this is not to say that politics could never come into the appointment, but it would be regarded as very distasteful if it did. The whole advice given to the minister would be not to make an appointment which could even be construed to be a political appointment. The fear would certainly be that there the board ought to be representative. Politics also has its representative side. Although the Authority should be composed in a representative way it would be regarded as wrong for the minister to ask what the party politics were of any man who was suggested to him.

The CHAIRMAN: Then members would not normally be former members of parliament, candidates or people closely connected with politics?

Sir ROBERT FRASER: It has happened, but it is by no means the rule.

Sir HUGH GREENE: For the BBC, I entirely endorse what Sir Robert Fraser has said. I do not know, in my experience, of a single occasion when in discussions of the Board any element at all of party politics has entered into it.

The CHAIRMAN: I was interested in Sir Hugh's comment yesterday that the very purpose of the introduction of Independent Television had been to compete with the BBC. We have had some urging here in this Committee that private

broadcasting should complement rather than compete with our public broadcasting. Do either of you have any comment on whether you see your systems as competing with rather than complementing each other?

Sir ROBERT FRASER: Sir Hugh, you go on; you are batting first.

Sir Hugh GREENE: I think that I am right in saying that some such phrase as "to compete with the BBC" was used in the setting up of ITA and that that was the purpose of the creation of ITA as seen by Parliament. I think that it is a realistic way of looking at it, for reasons that I gave yesterday. I do not think that the concept of complementary programming as between the two different systems—with us, or perhaps with you—would ever really work. Competition can work, but I do not think complementary programming can work unless you have, as we have now with the BBC, two networks under one control.

The CHAIRMAN: I suppose there is a bit of difference in your country in that each of you can cover the entire country readily, whereas our country is much more difficult to cover. In that way, I suppose one system has to complement the other, at least geographically. I do not think that is quite what some of the witnesses were suggesting. I think we were urged to see that there was not competition between our systems, but you would not agree that that is a desirable end.

Sir HUGH GREENE: No, I would not.

Sir ROBERT FRASER: Nor would I. There is no doubt that when Independent Television was introduced, it was introduced in order to become a competitive service. I doubt whether the word was actually used, but it was intended to be a competitive service.

If you go back to the very first White Paper, which outlined the introduction of Independent Television before there was any legislation to permit it, it does in fact contain the inference that the purpose of this was for the first time after 30 years of monopoly, as Sir Hugh was saying yesterday, to allow private enterprise an entry into broadcasting from which it previously had been excluded. When the White Paper gets itself translated into an act of parliament, the words used to define Independent Television are, in fact rather comical: The authority is told to introduce television services which will be additional to the BBC's. It was to be an alternative service. What does an alternative service mean? It means a service which the viewer can watch rather than the existing one, if he so wishes, and that seems to me to be exactly the same thing as to say that it is a competitive service.

Mr. PRITTIE: Mr. Chairman, this morning I handed Sir Robert a clipping from the Montreal *Star* of January 31. It concerned something that he was aware of. The British Guild of Television Producers and Directors published a memorandum protesting the poor quality of many programs in the country's Independent Television network. Then it goes on to say that in trying to compete, the memoradum noted too, the public BBC was subject to the same sort of pressures, and the columnist added: we have heard this before. But that is an element of competition that some group in the country is objecting to.

Mr. MACDONALD (*Prince*): Could we have some idea as to the relative viewing audiences, or how the actual competition works out in terms of the

percentage of audience attracted by the BBC or by the ITA, or is that an embarrassing question?

The CHAIRMAN: I think you dealt with that.

Sir Hugh GREENE: It is not an embarrassing question. We use two different audience measuring systems which measure different things. The BBC uses the aided recall system with about 2,250 interviewers per day—the same sort of system as the Gallup poll—which tries to measure, on a statistical basis, individual viewers and listeners. Independent Television uses the TAM system which is measuring, on a statistical basis, the number of sets turned on. So that as they are measuring different things, the results are not always exactly the same.

On the basis of our system, as I said yesterday, we now divide the audience, roughly speaking, month by month about 50-50; sometimes it is exactly 50, more often in our case it is slightly below 50.

Mr. MACDONALD (*Prince*): You operate generally on two channels, Sir Hugh?

Sir Hugh GREENE: Yes.

Mr. MACDONALD (*Prince*): Whereas the ITA operates on one channel.

Sir Hugh GREENE: Yes.

Mr. MACDONALD (*Prince*): So your 50 per cent would be split between the two channels.

Sir Hugh GREENE: Yes.

Mr. MACDONALD (*Prince*): Would there be more perhaps toward one channel than the other? Is one more popular than the other?

Sir Hugh GREENE: Yes. At the moment the BBC 2 audience is, in terms of the audiences of BBC 1 and ITV, not great. The audience is measurable, let us say, in hundreds of thousands rather than in millions.

Mr. MACDONALD (*Prince*): Is BBC 2 somewhat similar to the Third Program?

Sir Hugh GREENE: No. The BBC 2 is attempting to be a complete service of all types of material on its own. It has given us an opportunity to experiment more widely than we could have done with one network in new fields of programming. There has been a particularly successful experiment with the broadcasting of music, opera, and ballet. So, to that extent, one could say that there is a somewhat greater inclusion of serious—to use that unsatisfactory word—programming in peak hours.

Mr. MACDONALD (*Prince*): Would you say that there is some benefit operating two channels rather than one?

Sir Hugh GREENE: I would say an enormous benefit, because it does enable you to provide a planned choice for the audience. In competition broadcasters often produce the same sort of program on the air at the same time, as one sees, above all, in the United States. It also provides the extra space for experiments. Of course one should plan choice which involves simple common junctions

throughout the evening between BBC-1 and BBC-2, so that people can switch from one program to another without losing the beginning of one or the end of another. The public is never, of course, entirely satisfied with the way in which we interpret their choice. I remember an indignant viewer writing a letter to his MP of all people, complaining about the idiocy of BBC program planning when we had at the same time the "Man From U.N.C.L.E." on BBC-1 and golf on BBC-2. Of course, he said, every sensible person in the country would want to watch both the "Man From U.N.C.L.E." and golf.

Mr. MACDONALD (*Prince*): Just from a technical point of view, do you normally operate your programming from the same building? For instance, in most of your locations would one building house both channel operations?

Sir HUGH GREENE: Yes, our television centre houses studios for both operations. We have other studios scattered around in the immediate neighborhood of our television centre at Shepherd's Bush, but the presentation studios and the central control for both programs are in the same building, Television Centre.

Mr. MACDONALD (*Prince*): I have just been informed that your BBC-2 is on uhf.

Sir HUGH GREENE: Yes.

Mr. MACDONALD (*Prince*): Would you recommend that when uhf becomes available in this country that we might consider having our public broadcasting provide service on two channels rather than one? We now have sort of developed the concept of CBC providing service on one channel across the country. Do you think that there would be merit in the CBC providing a dual facility when it becomes technically possible?

Sir HUGH GREENE: It is awfully difficult to answer that in terms of Canada with your different circumstances and geographical problems. I think that all I could say is that as far as the United Kingdom is concerned, I see very great advantages in two channels under one control.

Mr. MACDONALD (*Prince*): Thank you very much.

Mr. FORRESTALL: Sir Hugh, I would like to get into two areas of questioning. I see that we have both of you up on the butts this morning. Perhaps, first, I will take up the question of the advertising dollar that is in existence in the United Kingdom today. Just from quick calculations based on certain figures you gave us yesterday—I will direct my first question to Sir Robert since he is the one directly affected, I would suspect—you receive something of the order of $75,000 to $80,000 revenue for each hour of viewing. You indicated yesterday that you were quite satisfied with this as a commercial venture. I am not asking whether or not this is the upper limit of the revenue dollar that is available for a viewing hour, but what would be your position if you had to compete for this? In other words, what would happen if you had to split that revenue dollar with the BBC?

Sir ROBERT FRASER: We had to ask ourselves, of course, a very similar question when we were giving evidence to the Pilkington Committee because the central question that the Pilkington Committee at the last major examination of British broadcasting had to resolve was whether there should be a third television service and, if so, whether it should be a BBC type service or a second

independent television service and the Pilkington Committee duly decided. But since we were, in fact, at that time asking for a competitive independent television service—that is to say, the two independent television services competing one with the other and both with the BBC—we had to do these calculations. The income that arises at present and is still now very slowly rising—though since Independent Television has now secured national coverage of about as much of the audience as it can reasonably hope to have, it is now growing very slowly—is just sufficient to profitably support two independent television services. However, if the Exchequer levy, which over and above normal company taxation takes 25 per cent of the revenue out of the system into the Exchequer, there is left £60 million as against £80 million a year, which is not enough to support two directly competitive services, and anybody who has ever had any experience of trying to get money back from the treasury will conclude that the introduction of the Exchequer levy has made it more unlikely than it was before that there will ever be a second independent television service. Now, given that the BBC and the ITV are more or less splitting the audience half and half, the arithmetic of this, of course, still holds. In fact, if the BBC cared to sell advertising time it could, on our calculations, secure an income more or less comparable with our own.

Mr. FORRESTALL: Of course my supplementary question was going to be whether or not you felt you were getting the major portion of this. Of course, you are because it is not accessible on the BBC. You think then that for this particular type of advertising reaching the media there might be upwards of another £50 million to £60 million available from business and other interests in the United Kingdom for support of another system. I do not like to say the BBC because I know this is not their cup of tea. However, if there was to be created a second independent authority, for example, that would compete with you, you feel then that it would not take nearly as much away from you as it would generate new capital in terms of advertising dollars?

Sir ROBERT FRASER: We do not think ourselves that the actual income earned from some other advertising time would be very different now if there was one service, two services or three services because what the advertiser is really buying is access to a given number of homes and he calculates his advertising expenditure in terms of the cost to him per thousand homes reached. This is his unit of calculation. It follows that if you have one large service, the only one selling advertising, which is reaching, let us say, one million homes, it is of no more value to the advertiser to reach a million homes divided between two competitive services both selling advertising than it is to reach those homes through one. It is possible that you might get a little more advertising income but we think, for purposes of our own calculations, we can regard something between £80 million and £100 million a year as the utmost that one could get from the sale of advertising time, no matter how many services are selling advertising time.

Let us take a newspaper analogy. There is a newspaper with a circulation of half a million in a town. A second newspaper comes, but the total sales of newspapers do not go up because the number of potential readers is exactly the same. The readership is divided between the two newspapers, let us assume, and so the rates come down on each of them.

Mr. FORRESTALL: Sir Hugh—if I could switch to you for a moment—when we were talking yesterday to your colleague and competitor, he placed certainly much more emphasis on the role of the Postmaster General in your overall set-up than you had earlier when you spoke, and I was wondering whether or not in the relationship between the BBC and the independent authority, albeit theoretically it is the same, that in actuality or in fact and in day to day contact in working, there is not a slightly different relationship.

The CHAIRMAN: We were discussing that before you came, Mr. Forrestall, but perhaps Sir Hugh would go over it again. I am sure that Sir Hugh or Sir Robert would comment briefly on this. They did give us quite an exposition of the difference but perhaps they would like to comment briefly again.

Mr. FORRESTALL: I would be grateful but I do not want to hold you up. I am sorry for going back over old ground.

Sir ROBERT FRASER: Mr. Chairman, there are, in fact, one or two things that I would like to say to supplement what I said, if Sir Hugh will let me go first. Consider what, in our pattern, the Postmaster General does—once again remembering that I said that he very often was speaking for the government. He, first of all, sets the broad pattern of the institutions of broadcasting. He is responsible for the basic pattern. Of course, in this case the government really is. It is there that it is determined how many services there will be; how these services will be conducted in a broad way: how they will be financed; and whether the programs will be produced by a public corporation or by private enterprise companies. These are government decisions. He appoints the members of the Authority and he appoints the Governor of the BBC and he can, at any time, dismiss or change them. He is responsible for defining the services of both the BBC and the Independent Television—in one case it is the charter and licence and in the other it is the act, but we can skip this distinction—and this definition applies to them both as public services for information, education and entertainment.

Having said that, he has, in fact, prescribed that the services—one may interpret the word in many different ways—will, in fact, be—for want of a better word—balanced. Through the exchange of assurances, about which Sir Hugh was telling the Committee yesterday, in his case, and through the Television Act in our case, he is responsible for the policy, its impartiality—what the FCC calls the fairness doctrine—which all the broadcasting services in the United Kingdom must observe.

Through a similar exchange, he is responsible for the imposition of the policy on the broadcasters that they shall, as far as possible, not transmit programs that are offensive to good taste and decency.

He is responsible for the policy that Independent Television earns its income solely from the sale of advertising time. He is responsible for the policy that the BBC does not, in fact, sell advertising. If the BBC decides it would like to, as Sir Hugh was also explaining yesterday, he can, in fact, forbid it and it needs the Postmaster General's approval before the BBC can be financed in any other way than the way it is at present financed.

Not only that, in our case he goes further and he precludes—a point, incidentally we have not mentioned here—the system of sponsorship of programs by advertisers. Independent Television is forbidden to allow an advertiser to supply a program. It can do no more than a newspaper does. Just as a

newspaper sells so much space, Independent Television can sell so much time, and that is the only permitted form for selling advertising in Independent Television.

But then again, if you consider it, he is also responsible for the decision that there shall be a licence fee. He is further responsible for the decision that this licence fee shall be £X, £Y or £Z. He is, therefore, determining effectively what is going to become the income of the BBC. It is a formality, but perhaps not a very important one, that the licence fee is, in fact, paid into the Exchequer and, I think, Sir Hugh, that it is converted formally into the form of an Exchequer grant before it reaches you. For many many years, in fact, the yield of the licence fee was something different from your full income, was it not?

Sir HUGH GREENE: No, it is not an Exchequer grant; it is money accruing from licence fees which we now receive in totality. This is all we have.

Sir ROBERT FRASER: You can see this is quite a range of powers. Then, as we said yesterday, he also controls the permitted hours of broadcasting. He says to both the broadcasting organizations: you are not to be on the air for longer than X hours per week. And indeed the hours' regulations are a good more detailed than that because there are specified exemptions and so on. So he controls the quantity of broadcasting.

I am now leaving the BBC. He also has all kinds of powers over advertising on Independent Television. We must produce a code of advertising practice which needs his approval. He has the power to prohibit the advertising of certain classes of products and, indeed, without any enthusaistic support from the Authority, recently used this power to proscribe cigarette advertising. There is not any pipe tobacco and cigar advertising in Independent Television, although, of course, cigarette advertising is permitted in all the other media.

He precludes the two broadcasting authorities from securing exclusive rights —a point Sir Hugh was mentioning yesterday—in a short list of outstanding events of national importance. He has the power—it is more a symbolic power than a power that has ever been exercised—to require both the BBC and us or either to transmit some government announcement. He can also forbid the transmission of material over both the services. As I said, this is a symbolic power. I do not recall, in the case of Independent Television, the power ever having been used, but it is there. Then, of course, he is entirely responsible for the national technical policy. You cannot build a television station anywhere without his permission. You cannot invest it with technical characteristics of which he has not approved. We also need his approval—I am not sure whether this is true of the BBC—for the capital expenditure involved in building this station. So you can see what the comprehensive lists of centrally exercised powers, in relation to both of us, adds up to. I think in some ways that because we are left alone for this long period of ten years between inquiries and possible legislation that we sometimes in our day to day lives do not see very clearly within what carefully considered lines of policy we are, in fact, operating, and what permission stemming from him, we do, in fact, live by. It is possible for weeks and months to go by, without your feeling conscious of the fact that you are living in a building the design of which he has so largely controlled. Perhaps this is the reason, as it sometimes seems to me, that it is not very clearly seen that there is a powerful central authority provided by the government itself,

exercised through a minister, supported by a specialized branch of civil servants in his own department. It is sometimes not seen how real this power is. Of course, the last thing one should say—and this is terribly important—is that these powers stop absolutely, sharply short of any control over program content itself. Program balance, yes; even if we wished to, we could not produce programs that would be regarded as unbalanced. The answer is that we must not. It is important to realize that this is our life's blood. The Postmaster General's day for answering questions is Wednesday afternoon, and there is always a batch of anything between 10 and 30 questions to the Postmaster General about broadcasting. If the BBC is in trouble at the time it will be very largely about the BBC and if we are in trouble at the time it will be about ours. Whenever there are questions about program content, it is the invariable classic reply of the Minister that program content is a matter for the broadcasting authorities, and he will not normally even offer to act as a channel of communication from a complaining member of parliament to whichever broadcasting authority is involved. It is for this reason that when members of parliament or indeed for that matter, ministers, wish to complain about what either of the two public corporations might have done, these complaints usually come directly by telephone, if the member of parliament is particularly irascible at the time, or by letter if has had time to cool off.

The CHAIRMAN: Yes. I should think that it would be unusual for a minister to telephone Mr. Ouimet and complain about a program.

Sir Hugh, I am sure you would like to comment further on this before we leave the subject which Sir Robert has been talking about.

Sir HUGH GREENE: Thank you very much.

While listening to Sir Robert just now I felt as I felt yesterday afternoon, that there was very little detail I would wish to challenge in what he said, but that he is describing an atmosphere which I do not recognize as being completely valid for the BBC. As I was saying earlier this morning, the air which we breathe in the BBC is the air of independence, that one inquiry into broadcasting after another has reaffirmed the BBC's independence and has sometimes extended it. One is not living in a world in which one is conscious of an outside authority in the shape of the Postmaster General; of course, the major decisions about broadcasting policy, whether it be colour television, local broadcasting or what not, are made by the government. However, those decisions having been made, one is left to get on with one's job.

If I understood Sir Robert, he said, for instance, that the Postmaster General was responsible for the maintenence of impartiality, for program standards, and for program balance. I would say, no, that the Board of Governors of the BBC is responsible for those things, not the Postmaster General. Incidentally, the Postmaster General does not have to approve our capital expenditure on anything, and that would be another difference between us. As I said earlier this morning, I think that this difference of emphasis between Sir Robert Fraser and myself—it is a difference of emphasis not really a difference of opinion or fact—probably arises—I have been thinking about it since yesterday—from the difference between living under a royal charter and living under an act of parliament because the act of parliament does lay down certain definite things—program obligations—for ITV, which are not laid down in the Charter and

Licence of BBC. It is a very serious thing, obviously—having to think all the time of avoiding breaches of an act of parliament. That, I would suggest, is probably the reason Sir Robert Fraser puts considerably more emphasis on the position of the Postmaster General in relation to the conduct of broadcasting than I would, looking at it from the point of view of the BBC.

Mr. FORRESTALL: Whether you operate under Royal charter or act of parliament, would it be fair to say that the television-broadcasting industry in the United Kingdom has matured to the extent where, for example, you, Sir Hugh, your Board and those who work under your Board, right down through the line to the producers and writers, and so on, exercise that good taste as a matter of day-to-day operation—and I use good taste in the broadest sense. As a matter of fact, nobody would think of doing something that was not acceptable. Is this an accepted thing?

Sir HUGH GREENE: Of course, we do things constantly that some people regard as unacceptable. I think that any broadcasting organization which did not do that from time to time would be relatively dead. One has to be experimental and do new things, and new things will always be unacceptable to some people.

Mr. FORRESTALL: How do you treat a subject which is possibly controversial? For example. I am thinking of a clip of a film from the United Kingdom that was shown here. I understood that it was, when shown in the United Kingdom, a full hour long documentary or possibly even longer, and we saw six or seven minutes of it. It was my understanding that it was the BBC that ran this, and that leading up to its showing you did a fair amount of promotion on it, in the sense of cautioning the television viewer that this program would be coming and to put the kiddies to bed. Is this an accepted procedure? Would you warn people that there was a subject coming which might offend certain people so they could turn their television sets off it they did not want to watch it?

Sir HUGH GREENE: We do that from time to time. If I remember rightly, we did not put on very much promotion of that sort in connection with this particular program. In fact, in the United Kingdom, as I explained earlier this morning, it aroused practically no controversy at all.

Mr. FORRESTALL: I am sorry. I apologize.

Sir HUGH GREENE: The large number of phone calls we were supposed to have received was, in fact, exactly three.

Mr. FORRESTALL: But it was not that program that I was particularly interested in. I was more curious whether or not this was a practice which you follow when you present controversial matters.

Sir HUGH GREENE: To give a warning?

Mr. FORRESTALL: Yes.

Sir HUGH GREENE: Yes, we will sometimes do so through describing the nature of the program in the *Radio Times* and we will sometimes do so on the air with a statement. Whether we did in this case, I am not sure. We also have a very general practice that the more controversial or daring programs will be put on after nine o'clock in the evening. This is not a sort of carefully-dug ditch.

It is a general practice that we will think in those terms, rather than maintaining an absolutely firm rule.

Mr. FORRESTALL: I will not take the risk of going back over other ground. I will wait and read the minutes of the hearing. Thank you very much.

Mr. MUNRO: I have just a couple of questions, Mr. Chairman. Sir Robert, are there any statutory or legal restrictions on the composition of these program companies? For instance, I think you said there were approximately 14 program companies, four of which have emerged as the bigger entities in terms of greater programming for the network. Are there any restrictions on the ownership of these program companies, and are there any limitations on any one person or corporation owning more than one prgram company?

Sir ROBERT FRASER: Yes, there are a number, Mr. Chairman. First of all, no one of the program companies can have any financial interest whatever in any other of the program companies. They must be independent one of the other. This is an Authority rule that is not inescapably imposed by the statute itself.

Mr. MUNRO: It is not imposed by the statute itself?

Sir ROBERT FRASER: No. There is a phrase in the statute which tells the Authority to arrange the system as far as possible along competitive lines, but we have applied a very strict interpretation of that and simply said that no program company may be financially interested in the other. Then the act itself forbids the foreign ownership of any program company. The act itself forbids any advertising agent or advertising agency to have any financial interest in a program company. The act also has a rather vague provision that if it is thought that a newspaper shareholding, whether minority or majority, in a program is working against the public interest, the contact with that company can be determined, or the program company can be given the opportunity to make changes in its ownership which would make it acceptable. This really reflects an anxiety which broke out some three or four years ago in the United Kingdom about concentration of newspaper ownership and the spread, as some would say, of newspaper influence and power into broadcasting. In fact, there are a large number of newspaper interests in independent television companies. With one possible exception, they are all minority shareholdings, and they are fairly well dispersed. In the big four companies—as we call them, the network companies —there is no newspaper interest whatever in three of those, and in the fourth there is a newspaper interest of about 40 per cent, divided between two newspapers.

Mr. MUNRO: With your imposed ruling that no one interest can have more than an interest in one program company it precludes any of the chains from attaining any sizeable influence in the program companies. Automatically it excludes them. You indicated that a good part of this approach was the result of the Authority's own action as distinct from the statutory requirement which calls for competition. Does the Authority feel, of its own volition, that this type of procedure was important as a matter of policy or as a result of this Shawcross Commission? Was that the commission you are referring to in England?

Sir ROBERT FRASER: Yes.

Mr. MUNRO: Was it mainly as a result of that or do you, yourself, feel very strongly about this question of concentration of ownership?

Sir ROBERT FRASER: The prohibition on any program company having any kind of financial interest in any other program company goes back to the very first day of Independent Television. We wrote it into the first contracts. Newspaper shareholdings are a separate point. The Shawcross Commission or Committee was really a reflection of this anxiety about the development of newspaper ownership to which I was referring.

We thought that in the United Kingdom, where we knew that we could never make room in one service for more than about 14 or so program companies, it was extremely important that each program company should be kept independent of the others. If we had 200 or 300 program companies the restriction would obviously change its shape; I mean, we might say as, as the FCC says, that 4 or 5 or 6 under one ownership—whatever the figure is—is the most that will be permitted. It is a figure, I think, that one would determine in relation to the total number of program companies, as we call them for which you had room.

The CHAIRMAN: Mr. Munro, I think we could go on for a long time with these gentlemen. We probably would like to have them with us for several more days, but it is now 11 o'clock and I think we are all obliged to be in the House. Perhaps if you would like to talk with them personally after the meeting you could get some further answers. I think that we had better excuse our members and our witnesses.

On behalf of the Committee I would like to thank Sir Hugh Greene and Sir Robert Fraser very much for coming to Canada to help us. We have enjoyed not only getting your advice but meeting you personally and being exposed to your good humour while you have been here. I hope that you will be back often and perhaps some of us will have the opportunity to come and visit you—not to give you advice but to have the benefit of seeing your systems in operation. We all appreciate your coming very, very much.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 39

TUESDAY, FEBRUARY 7, 1967

WHITE PAPER ON BROADCASTING (1966)

WITNESSES:

Mr. J. Alphonse Ouimet, President, Canadian Broadcasting Corporation; Dr. Andrew Stewart, Chairman, Board of Broadcast Governors. *From The Canadian Association for Adult Education:* Dr. Alan M. Thomas, Director, and Messrs. Arthur F. Knowles and B. E. Curtis, Members of the Board of Directors.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25548—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Basford,	Mr. Johnston,	Mr. Pelletier,
Mr. Béchard,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Brand,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Cowan,	Mr. Macquarrie,	Mr. Richard,
Mr. Fairweather,	Mr. Mather,	Mr. Sherman,
Mr. Forrestall,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, February 7, 1967.
(60)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.50 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Forrestall, MacDonald (*Prince*), McCleave, Nugent, Prittie, Prud'homme, Richard, Simard, Stanbury—(10).

In attendance: From the Canadian Broadcasting Corporation: Mr. J. Alphonse Ouimet, President; and Mr. Ron Fraser, Vice-President, Assistant to the President. *From the Board of Broadcast Governors:* Dr. Andrew Stewart, Chairman; Mr. Pierre Juneau, Vice-Chairman; and Mr. David Sim, Member.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

Messrs. Ouimet and Stewart were examined on their reaction to testimony given to the Committee by previous witnesses, relating to the U.K. and Canadian broadcasting structures.

The examination of the witnesses being concluded, at 1.00 p.m. the Committee adjourned until 3.30 p.m. this afternoon.

AFTERNOON SITTING
(61)

The Committee resumed at 3.40 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Brand, Forrestall, MacDonald (*Prince*), Prittie, Prud'homme, Richard, Simard, Stanbury—(8).

In attendance: From the Canadian Association for Adult Education: Dr. Alan M. Thomas, Director; and members from the Board of Directors, Mr. Arthur F. Knowles, Executive Director, Metropolitan Educational Television Association and Mr. B. E. Curtis, Director of Adult Education, Collegiate Institute Board, Ottawa.

The Chairman introduced Messrs. Thomas, Knowles, and Curtis, following which Mr. Knowles read the brief of the Canadian Association for Adult Education.

Messrs. Thomas, Knowles and Curtis were examined on their brief.

The examination of the witnesses being concluded at 5.50 p.m., the Committee adjourned until 9.30 a.m. on Thursday, February 9.

M. Slack,
Clerk of the Committee.

25548—1½

EVIDENCE

(*Recorded by Electronic Apparatus*)

TUESDAY, February 7, 1967.

The CHAIRMAN: Gentlemen, we have had the Chairman of the Board of Broadcast Governors and the President of the CBC here before, and we have been presented with their views on the White Paper. This morning we have asked them to come back together so we may have the benefit of their reactions to testimony that has been given to this Committee since they appeared and that they may answer some questions which have arisen in the minds of members of the Committee out of other testimony.

Mr. NUGENT: Mr. Chairman, I have only one question to ask and by the time this is answered, it will be time to go to the Defence Committee.

Following the visit of our distinguished guests from Great Britain, and the interesting story they told, I am afraid that I, along with other members of the Committee found it very enlightening how little conflict there seems to be between the various functions of their board and so on, and wonder if Mr. Ouimet could give us any idea of whether he believes that this Committee would learn anything from a visit to their committee in England and the facilities there, or have we exhausted the possibility of that by having those two eminent visitors?

Mr. J. ALPHONSE OUIMET (*President, CBC*): My answer is "yes". I believe the Committee would gain by finding out more about the British system, which I think is a model of simplicity. You had proof of that not only in the testimony of the witnesses, but also in the fact that as you noticed, there is very little friction betwen any of the elements of the British system. Generally speaking, the corporation would really favour any activity that any of the committees that look into broadcasting could engage in that would increase their knowledge of the situation generally. I think the more you know about what is done in other countries in terms of the organization of broadcasting, the more you know about the kind of service that these institutions in other countries provide to their public, I think the better you will understand the Canadian problems of broadcasting and furthermore, I think the better you will appreciate the quality of the service that we are already providing. I am all in favour of this.

Mr. NUGENT: Mr. Chairman, I am not sure whether Mr. Stewart has read the testimony of the British visitors. I know he was not present, and perhaps this should come after we have had the Board of Directors of the CBC with us. For the benefit of this Committee, would Dr. Stewart care to comment on the difference in the management of the public and private sectors over there, as compared with Canada, and the position his board finds itself in where even the powers of his board are, if not limited, at least not clearly defined?

Dr. Andrew STEWART (*Chairman, Board of Broadcast Governors*): I have not read the testimony of Sir Hugh Greene and Sir Robert Fraser, as the

transcripts are not yet available, at least we have not had them. We were unable to attend, because our own board was in session during that period.

My understanding of the situation over there is that there is a sharp separation between the public system and its management and direction, and the private system and its management and direction. Sir Hugh Greene is the Director General of the BBC and he has a board. Sir Robert Fraser is the Director General of the Independent Television Authority and he also has a board. The only point at which they come together is at the level of the Postmaster General, I believe.

Mr. NUGENT: Since you understand what the essential difference is, Dr. Stewart, I was wondering if there is anything we could learn in what apparently seems to be a conflict or a shadowy line sometimes between the function of the BBG and the function of the Board of Directors of the CBC. I sometimes get the impression—and perhaps I am incorrect in this—that the Board of Directors of the CBC are quite competent to handle any questions of broadcasting policy, and so on, and that therefore the functions of the BBG in so far as they apply to the CBC are redundant. Is this not really the position which they have taken in Great Britain where there is an independent board for each, but no over-board such as the BBG, if I can put it that way?

Mr. STEWART: I would want to distinguish here between—as the White Paper does—the physical structure of the system and the matter of programming. As far as the physical structure is concerned, I would think it would be correct to say that the Postmaster General in the U.K. has the responsibility of deciding whether the BBC will have another channel to operate on or not, and my understanding is that before a new program service is provided by ITA, the area must be opened up by a decision of the Postmaster General and then public hearings proceed on that.

In Canada, the White Paper suggests that the Governor in Council should be responsible for the decisions on the physical structure. This would, in a sense, make it comparable to the position in the U.K., but I suspect in the U.K. that the Postmaster General does not make these decisions without consulting the agencies which he has set up for the purposes of broadcasting; and I would certainly assume that the Governor in Council in Canada would not make a decision on the extension of the physical structure of the system without looking for advice to the public agencies involved in broadcasting in Canada which would be the Board of Broadcast Governors, the CBC and the Department of Transport, in so far as the Department of Transport remains responsible for the technical aspects of broadcasting.

It is I think our view that the focus of responsibility to advise the government on these matters, should rest on the Board of Broadcast Governors and I do not think the corporation disagrees with us on this point. The question then is largely how the board associates itself with the CBC and DOT in giving advice to the government on the extension of the system. Now, this is on the physical side.

When we come to the question of programming, I think this is the area in which we all have the greatest difficulty. There is certainly one view that is parallel to the British system and that is the responsibility for programming in the public service; that is, the CBC programming in Canada, should be left

clearly and unequivocally with the directors of the corporation and this is one position.

Perhaps at the other end of the spectrum, we see from reading the evidence, and we are aware of this, that there is another view, that there should be an over-all responsibility for programming resting upon the Board of Broadcast Governors. This responsibility then would apply both to the private sector and to the public sector of broadcasting. The judgment then as to how stations should be programmed, either in the private sector, or the public sector, would ultimately rest with the BBG. In between these, Mr. Chairman, I think there are perhaps some intermediate positions. For example, one could take the position that whatever is contrary to law should be dealt with in the courts. One of the areas of concern has been with the type of programming, either in the private sector or the CBC, which could be seen to be obscene. Now, this is a question of law and the decision on these matters should perhaps not rest with either of these bodies finally, but in the courts and in the definition of the law.

There are many other areas of programming, and if it is seen to be wise to have some over-all view of the broadcasting service which is available to Canadians, so that in some way one has to relate what is being done in the private sector with what is being done in the public sector, one way of achieving this would be, presumably in the annual report of the Board of Broadcast Governors, to seek from them such an over-all view and a statement of an over-all view.

I would assume that there would be a standing committee of the house on broadcasting, and I would think it would be very desirable, and presumably both the annual reports of the CBC and the BBG would be referred to this committee so that it could review whatever report was made with respect to the over-all programming service.

Mr. NUGENT: Dr. Stewart, you touched on this question of violation; that it should be the courts etc. and it comes down to what to me is the most perplexing part and the most unsatisfactory part of our handling of policy, programming standards, and so on. The striking difference in the British system is, of course, that in so far as policy is concerned, it is the government that is responsible for policy; whereas we in this country have tried to take it away from those terrible people, the government and members of parliament. I am striving in my own mind to satisfy myself that in our efforts to remove the wicked political influence from this job of controlling the CBC and private broadcasting and to make sure that whatever standards are set they are not set at a political level, we have not just divested ourselves completely of control. In other words, from the way you answered that question I gather, we certainly have not given to the Board of Broadcast Governors as you see it, the sort of authority for broadcasting policy that would make the broadcasting industry responsive to the wishes and moods of the public that they get in England where there is governmental responsibility. Do you feel that you have anything like that influence or authority on the broadcasting industry?

Mr. STEWART: I think this is a question of an interpretation of the statutes, the 1958 act, and our concern with that legislation is that it is not clear enough on these matters. I recall a particular occasion on which the board, felt that it had

the authority under the act to require the Corporation to do something but was not defended in parliament for exercising that authority and indeed, I understand that the deputy minister of justice gave an opinion that the board did not have the authority. This is the situation under which the board has been operating for some time, lack of clarity as to what its responsibilities and authority are. With respect to the U.K. system I do not think there is quite the difference that you have indicated. It seems to me that in both Canada and in the U.K., if for no other reason than because broadcasting stations have to be licensed, nobody questions the ultimate authority of parliament in either case. The question is really the delegation of the authority of parliament and the extent to which parliament leaves the authority to which they have delegated responsibility the opportunity to proceed without interference.

Mr. NUGENT: Dr. Stewart, then leading on from this suggestion of where the authority of the BBG was questioned and no one defended them, and I hope I have not taken the wrong inference from that. I would gather you believe the position of the Board at that time was that they had followed what they had believed to be the intent and purpose of the act; that they did in fact have that authority and were surprised to find that parliament had not backed them up. Would you, therefore, suggest that what is needed is a clarification of the present system and make sure that we make it clear, as I believe it should have been made clear, the extent of the authority of BBG, so that it would have that authority we thought perhaps it had been given in that act, and would you then be able to operate more effectively?

Mr. STEWART: Yes; I entirely agree that the first thing that is required is a clarification of the authority and responsibility of the Board, where the lines are drawn and then the problem before it.

The CHAIRMAN: Have you a comment, Mr. Ouimet?

Mr. J. Alphonse OUIMET (*President of the Canadian Broadcasting Corporation*): Yes. I would like to comment on the series of questions and also on the series of answers.

In the first place, I would like to agree with Dr. Stewart that the difference between the system in Great Britain and in Canada in terms of the participation of the government in the formulation of program policy is really slight. There is very little difference really between the British system and the Canadian system. In Great Britain neither of the witnesses who appeared on Thursday and Friday indicated that there was any kind of control or attempt to control standards, or operating policy, in any way. On the contrary, these responsibilities were delegated fully to the two boards. What is important to note is that in Great Britain it is delegated in a dual way so that the Board of Governors of the BBC has the exclusive and total responsibility for all that pertains to the public sector of broadcasting, and in a similar fashion the Independent Television Authority has full, exclusive, and unshared responsibility and authority for what happens in the private sector of broadcasting. This is what the CBC has been recommending.

When they were asked what would happen if one of the two boards was given authority over the other board, I think the answer was, and I am paraphrasing one of the witnesses, that it would be chaotic. The problems we have had in Canada have not been due to the lack of authority of the BBG over the

public sector. It has been really the other way around. It has been that the authority of the BBG over the public sector could be taken to exist in the legislation of 1958, to a greater degree than was workable and it was when an attempt was made to exercise that authority that we got into difficulty.

I think the best example of a system that works well is the way the system has been working since the Grey Cup period. At that time, the BBG, Dr. Stewart at least and myself, realized that we could not make the system work in the way some people thought it had been set up, and since then there has been no attempt on the part of the BBG to exercise authority in the field of programming in the public sector. I do not think that you can cite any difficulties since that period. It has been working very well. You might say that there are a number of things that have happened in the public sector which indicates a need for better control, better supervision of programming. If this is the case, the corporation feels that the way to resolve this problem, to bring about improvements, if such improvements are desirable, is simply to ask the Board of Directors of the corporation to follow certain standards that would have to be specified.

I do not think that it is necessary for the government to go much further than it has done now in this respect but the way of doing this is certainly not by superimposing over the CBC an authority that is not necessarily any more competent to deal with the difficult problems of good taste and what is acceptable in a changing popular context in terms of taste and in terms of the kind of programming that a pluralistic society is ready to accept.

Mr. NUGENT: Mr. Ouimet, I believe you have oversimplified the differences and perhaps the significance of the difference is not so apparent to you as it is to a parliamentarian. The difference there, of course, is that a minister of the cabinet is responsible for policy, as they have explained, and of course, we would like to think, no matter how many times we find the cabinet failing to respond, that the members of parliament do have some influence with cabinet. It is this responsive element that comes in that, where the public feeling can be made to be felt through a cabinet minister—

Mr. PRITTIE: May I ask Mr. Nugent a question. You say a cabinet minister has responsibility for policy. Are you speaking of the United Kingdom?

Mr. NUGENT: Yes.

Mr. PRITTIE: He has technical responsibility—

Mr. NUGENT: I want to go to another committee so perhaps you can clarify anything that I have left out.

Mr. PRITTIE: No, no, but it is most important if you do not mind. It is not programming policy.

Mr. NUGENT: Let me go on, if I may, Mr. Chairman. The point is that we have a cabinet minister responsible and the public pressure can be felt through parliament on the cabinet minister in Great Britain. Here, we have carefully tried to stay away from this so-called political influence, and I think that we have lost something in the responsiveness of our public sector because of this. In other words, where we have some difficulties in internal management or programming within the CBC, we do not have that direct influence on the Board of Directors to bring the pressure to bear which they have in Great Britain, where

the Postmaster General appoints the Board of Directors and can get a response to public pressure from them or fire them. We do not have that same sort of thing. Is this not a difference?

Mr. OUIMET: May I answer that part of your question? There is no such difference. This is the important point to realize. The Postmaster General—

Mr. NUGENT: Well, just a minute, when you—

The CHAIRMAN: Mr. Nugent—

Mr. NUGENT: Do you not think there is a difference when a cabinet minister can get up in the house here and say, I am not responsible for CBC.

The CHAIRMAN: Mr. Nugent, would you mind letting the witness answer your question.

Mr. OUIMET: The Postmaster General in Great Britain gets up in the house even more regularly and says he is not responsible for the BBG or ITA. There is no greater exercise of government responsibility in Great Britain with respect to broadcasting either in the public or private sector than in Canada. In both countries, the governments and the ministers through whom broadcasting reports to parliament have generally the same functions. They set out the general policies. This was explained clearly on Thursday and Friday. They will determine whether there will be colour broadcasting. They will determine the number of hours of broadcasting, if there is such a limit. They will determine whether broadcasting will move to UHF. They will determine the structure of broadcasting, whether there will be one board or two boards. They will determine the roles of the agencies to whom the responsibility for broadcasting is delegated, but there is no exercise of responsibility in Great Britain of the type you mention. The minister, in response to public opinion, or on his own initiative, does not give, and there is no record that he ever has given, any instructions or orders to the agencies with respect to their programming.

An hon. MEMBER: There is no committee.

Mr. NUGENT: Well, I think that is one thing that might be interesting to see.

Mr. OUIMET: It is the same delegation of responsibility from the government to agencies. What they have that we should look up to as a model for Canada is that they have set up a simple system, a workable system, while we are still trying our best under an antiquated structure. We are not sure whether we are still a simple single system as we dreamed about around 1930 but which we never had, or whether we are a simple dual system as they have in Great Britain. All the solutions proposed up to date, including the solution envisaged in the White Paper, are compromises between these two types of systems. In order to satisfy everyone, we are trying to have a one and a half board system, or a quasi-single system, and this is really the cause of all the problems.

It would be so simple, and I have not really heard a good answer which would indicate why this would not be workable in Canada, why we do not have simply one board responsible totally and fully for what the CBC does. This is a very big job in itself. This is, according to the White Paper, and I think everyone who has testified agrees, the most important element in Canadian broadcasting, the public sector. It deserves its own board and similarly, the private sector,

which is a very complex operation to supervise and regulate, deserves to have the undivided attention of its own board.

Now, once we have this, the only thing you can ask yourself is, whether there are any things that will fall between two stools. In Great Britain, we were told, that anything that would fall between two stools is taken care of by long term decisions of the Postmaster General or the Government; long term decisions, not ad hoc program decisions, and by the over-all technical planning, which the Postmaster General's staff does. This can be done the same way here if we wanted it, but the CBC has recommended that this work of planning for the use of frequencies, and channels, could be left with the BBG. We have also said that any general regulations, regulations of general application, and they are the only ones that are necessary and common for both systems, the private and the public, also could be left with the BBG.

Mr. NUGENT: One question only, and it requires a very short answer. In your opinion, then, we could have a set-up similar to that of the United Kingdom, despite the fact that there is no minister who is responsible for broadcasting; they answer only to parliament rather than to a minister. You think that this difference does not matter in so far as the workability of the scheme is concerned?

Mr. OUIMET: My answer is no, it does not make any difference. But I must add to this that the government obviously is taking responsibility for the planning, for the setting out of general policies in broadcasting. It has just published a White Paper; so somebody is responsible, and I always thought that this responsibility lay in the office of the Secretary of State.

Mr. NUGENT: Well, not when you try to pin them down. The responsibility rests with parliament.

Mr. OUIMET: There is true responsibility, the responsibility for planning and determining the policies of broadcasting in the country. Now, I think this is clearly accepted by the government. I am not here to speak for the government. What gives rise to this confusion, that responsibility is not accepted, is that when it comes to specific program decisions, then, as has been the tradition for 30 years, the minister says this matter has been delegated to the boards responsible for these decisions, either the BBG or the CBC. But the government is still responsible, as in Great Britain, for the over-all planning, setting up and broad policies of broadcasting.

The CHAIRMAN: Dr. Stewart I think you wanted to add something.

Mr. STEWART: Mr. Chairman, I do not believe that the differences between the United Kingdom situation and the Canadian one, involved the difference that Mr. Nugent is pressing. I do not agree with that. I think that there are some differences between the United Kingdom situation and the Canadian one, and it is important that we recognize these differences. I think one must not necessarily assume that what is good for the United Kingdom is good for Canada. This is the view that some Englishmen but few Scotsmen take, I may say.

The differences are, first of all, that the public system in the United Kingdom is completely non-commercial, and therefore there is no commercial competition between the public sector and the private sector. I suggest that the

situation in the United Kingdom would be more difficult and more complicated if the BBG went commercial to any extent at all. Because then you establish a different relation, a particular relationship, between the public sector and the private sector, which does create some problems. In this area in the Canadian situation, I feel it is important that the policy, the commercial policy of the corporation, be very clearly defined and specified. I think it is the proper duty of parliament to determine what that policy is, whether the CBC is going to be commercial or non-commercial, and if it is going to be commercial, the general lines of commercial policy that it will follow. But it is certainly quite obvious and very important to the Board of Broadcast Governors to know what the public policy is with respect to commercial activity.

Now, the other difference between the United Kingdom and Canada is that we still have, to some extent, a mixed system in the sense that the public service distribution is still dependent, to some extent, upon the use of privately owned facilities. That is, we have private affiliates of the CBC; there are no private affiliates of the BBC. Now, here again, you bring the public sector in Canada into a particular relationship with the private sector which is absent in the United Kingdom, and this again raises problems in Canada peculiar to the Canadian situation as long as this condition persists. And so here again we have to look very carefully at the whole question of affiliation of private stations in the distribution of the national service, and the responsibilities which the Board of Broadcast Governors may have in relation to affiliations, affiliation agreements and the distribution of the national system. I am merely pointing out that there are differences here, and a simple generalization that the United Kingdom system would apply, or would not apply to Canada, has to be qualified by the recognition of these differences.

Mr. NUGENT: Mr. Chairman, at the risk of appearing impolite to our guest—I know I do not have to announce it—I want leave to go to the defence committee. The interest I have taken in that, I think, would make my further absence from that committee a little embarrassing, but I do not want our guest to take offence at my departure. I have found it most interesting, and thank you very much for the attention I have been able to get.

Mr. OUIMET: I would like to comment on the very important point raised by Dr. Stewart. He described some of the differences between the situation in Great Britain and the situation in Canada, as far as broadcasting is concerned. He mentioned that the BBC was non-commercial, while the CBC engages in commercial activity. He mentioned also, that the CBC has to depend on a certain number of affiliates for its program distribution while the BBC does not. This is absolutely correct, but I claim that these differences are not sufficient to deprive Canada of an efficient and workable system; that at best, or at worst, it would mean that we would have to adapt the dual system to the Canadian needs by making certain minor modifications. Let me stress, though, that if the fact that CBC is engaged in commercial activities makes the relationship between the CBC and the BBG and the private sector, different from that of their counterparts in Great Britain, the reduction of CBC's commercial activities, as the CBC has urged for years and years for entirely other reasons, which are to serve the public better not to simplify the system, will diminish any compelling argument which might be made for not having the kind of system which Great Britain

enjoys established in Canada. All that is needed is for the CBC commercial policy to be well established at a lower level of commercial activity than we have now, so that everybody knows exactly what we are going to do and there will remain no problems to be solved by a super board.

The same thing applies to affiliates. We depend for 20 per cent of our coverage on affiliates, 34 affiliates. If this creates a problem in bringing to Canada an efficient, simple, workable system, let us see whether we should not change this policy of non-self-sufficiency in distribution. Do you know how much it would cost for the CBC to be self-sufficient in distribution, to have its own stations: at the most, two or three per cent in terms of operating expenditures. What would it give us? What would it give the public? It would give the public, first of all, the whole service of the CBC and not just 40 per cent, as in the case of television, in the areas served by affiliates, and not just, maybe 20 per cent or something of that order, in the case of radio. It would ensure a better service because it would provide in each location a combination of a private and a publicly owned station, a combination which the BBG, the CAB and the CBC are all on public record as favouring as the best possible way to serve the public.

Now, why do we not do it, why do we not decide to do it, instead of saying, we cannot have a simple system in Canada because our system is too complicated? This is no reason. Really, what we have to do is to simplify our system and the way to simplify it is to decide now that we are going to unmesh fully the two sectors which are nearly unmeshed now; that we are going to complete this process as fast as possible. And if commercial activities of the CBC are a complicating factor—the CBC does not want to be that far into commercial operations—let us reduce them, and then we will be nearer to the ideal which I thought the Committee had pretty well accepted when they heard the tremendously impressive testimony of the two British witnesses last week.

Mr. PRITTIE: Mr. Chairman, the point of my interruption of Mr. Nugent was—well it has been cleared up now—was to point out to him that the responsible minister in Britain does not interfere with programming. The Postmaster General in Britain really occupies the same position as the Minister of Transport does here, mainly a technical job, and the British do, in fact, leave the programming decisions and control to the two agencies which they have established for that purpose.

The CHAIRMAN: Mr. Prittie, I wonder if I am correct in suggesting that the Postmaster General in Britain has a statutory responsibility which includes programming and perhaps this has confused Mr. Nugent.

Mr. PRITTIE: He has the reserve power.

The CHAIRMAN: The practice has not been to use that power but, Mr. Nugent, in looking at documents may very well feel that this is a difference in practice, which it really is not.

Mr. PRITTIE: Yes, I believe that point was made in a question in the House of Commons that he has reserve power at Westminster. Will the minister tell the BBC not to do such and such a thing, and the minister always says no, and in theory it looks like a great power.

I am interested in the question of structure, Mr. Chairman, but before I do that, there is one other matter that I want to deal with while these gentlemen are here. I think, particularly, Dr. Stewart, will be concerned.

It is quite apart from this question of the boards of the BBG and the CBC. The question concerns the CATV, we had the people in last week; we had the National Association of Community Antenna Television people. Then we had that separate application from Mr. Davis in Calgary. The White Paper makes the recommendation that the CATV operations come under control of the Board of Broadcast Governors. It seems to me that the National Association of Community Antenna Television people made a fairly good case for the status quo; that is, that they are to be regulated by the Department of Transport, as long as CATV remains what is at the present time, operating in border cities where the householder can receive television service from the United States with his own antenna. That to me, would seem to be a fairly reasonable case. What was very different, was the application we had from Mr. Davis in Calgary, who proposes to build an antenna at the U.S. border in Southern Alberta and by means of microwave transmit these programs north to Calgary where they cannot naturally be received. This is a different picture. It introduces a new element of broadcasting, let us say, into Calgary; it brings NBC, CBS and Mutual, in there. It would seem to me that in a case like this, it is quite logical to have them appear before the BBG because the established broadcasters in Calgary would want to be heard. A new element is being introduced into broadcasting in that city. Well, this is the question then, which is in my mind. I wonder what Dr. Stewart thinks about the status quo of CATV and the possible future uses of it by microwave extension into Canada where American stations cannot now be received. Do you think that type of operation should come under the Broadcasting Act and what do you think of the present CATV operation? Have I made myself clear?

Mr. STEWART: Mr. Chairman, the board has in fact recommended to the government that the wire systems be brought under the Broadcasting Act. This is generally because of the obviously close relationship between them. Whether it comes on the wire or it is picked up by an outside antenna, it still appears on the television screen, and it seems to us that if we are directing broadcasting for public purposes, then the same position should be taken with respect to the signals which are brought in on wire. This is a general position. With respect to the use of microwave for the extension of wire systems, the board has advised the Minister of Transport that it does not wish to make any recommendation to him on this feature of wire distribution at the present time. I should then go back and say that while the board has no jurisdiction by legislative authority over the wire system, obviously the Minister of Transport, who does have the responsibility, is entitled to seek advice on the decisions he makes in any way he wishes; and if the Minister of Transport indicated that he wished the advice of the board on two matters; one, would the installation of the wire system proposed render the existing free broadcasting service non-viable, that is, would it make it impossible for the free broadcasting service to continue, or, two, would it impede, the establishment of a second broadcasting service in the area.

In giving the Minister advice on these two points, we have said we are not prepared to give him advice on any system which involves the use of microwave

for the penetration of wire service into areas already served by free broadcasting. Our view is again that the control of wire systems should be brought under the Broadcasting Act and, if and when, this is done, we should develop a clear and comprehensive policy on the use of microwave and that at the moment we should not proceed with applications which involve the use of microwave.

Mr. McCLEAVE: Dr. Stewart, I would just like to clear something in my mind. When you say "we", do you mean government or the Board of Broadcast Governors.

Mr. STEWART: The Board of Broadcast Governors, yes.

Mr. McCLEAVE: Thank you.

Mr. STEWART: Quite obviously the techniques are changing. They are changing all the time. The possibilities of further extension of wire systems by microwave and by cable are increasing and it will be technically possible and economically possible to extend the use of wire systems by the use of microwave or by the use of cable. In my view it will be impossible in the long run to deny Canadians at greater distance from the border comparable access to those who live close to the border when the techniques make this possible. I think we will find it impossible to maintain this position.

Now, if the board were given the responsibility for wire systems, there are many aspects of it that we would have to give serious consideration to before we developed a board policy with respect to wire systems. The view that we expressed earlier was that provided we could sustain two Canadian services to people we should then not deny them the additional service which could be provided by wire. But we do think it is tremendously important that Canadians have access to two Canadian services and that we must protect the market situation until two Canadian services are established and can continue to operate under the competition of the wire systems and at that point I do not think we should further deny Canadians access to these additional facilities.

Mr. PRITTIE: May I then ask you this. The city of Ottawa is to get CATV service, I believe, later this year and I understand that the Minister has been in recent years, as you said, getting advice of the board and of the CATV people. You said that there was this informal consultation. Was this the decision that you came to in connection with the city of Ottawa, that the two Canadian stations here could stand this, if you like, competition.

Mr. STEWART: That is correct, yes; but subsequently the cable system presented an application for the use of microwave to strengthen its signals of American stations which it is carrying. It found that the signals were not very good and it applied for the use of microwave to improve them and at this point the board said we are not prepared to advise the Minister to proceed with this.

Mr. RICHARD: Why?

Mr. STEWART: Because we have no comprehensive policy on the use of microwave. We have Calgary; we have Ottawa; we have others coming up and our view is that until we have a comprehensive policy, and I think that means, until the wire systems are brought under the Broadcasting Act, we should not move on to microwave. Now, there are a few exceptions which the Minister has approved and we have supported the use of microwave where it takes the

Canadian service into an area which has no service today. That is all right. But, our view is that we should not move on any of these microwave applications to add to Canadian services until we have considered the matter fully and have a clear and comprehensive policy; but to pick them off, one at a time, in our experience ends up in indescribable confusion and difficulty, and until we have a policy they should lie on the table.

Mr. RICHARD: Dr. Stewart, do you mean to say that once having almost approved of a system, as in Ottawa, where the public is paying and will receive a picture through CATV the board is not at the present time able to formulate a policy that it would be in the public interest to allow these people to receive a clearer picture. I mean, what policy is to be made there. They are allowed to receive a station, and if not a clear picture, why should not the public having paid for the privilege of a system which they understood was proper and legal to subscribe to, receive the best picture possible through that system. Is it not time that the board should formulate a policy!

Mr. STEWART: But the board has no authority to establish a policy.

Mr. PRITTIE: This is the point of my question. The White Paper proposes to give the board authority and my questions revolved around that point.

Mr. STEWART: We have no authority.

Mr. OUIMET: Mr. Chairman, I will be very brief on this but we have not expressed any opinion as a corporation with respect to CATV yet. I would like to say that we support fully the recommendation that CATV be considered as part of the over-all broadcasting structure. As a matter of fact, looking at it from a purely technical standpoint, in years to come it may be very difficult to distinguish between broadcasting and other forms of communication to the public. They will all be so intermixed that in order to keep any kind of order in the over-all system there will be needed an over-all authority on the technical side to deal with all these things. It was just an accident of the definition of broadcasting in the act of 1936, and prior to that, the act of 1932, that it was described in such a way as not to include transmission through cables. But in 1967, and also in 1980, we simply must have a broader definition of the kind of enterprise we are engaged in. Whether it should be called broadcasting or something else, I do not know, but it will still be the transmission of sounds and pictures to the public.

Mr. RICHARD: Well if you run up against a constitutional problem at that time, provincial rights—

Mr. PRITTIE: No.

Mr. RICHARD: It is all right to talk that way.

Mr. OUIMET: This has been, of course, a matter of discussion over the years and certainly in the early years of broadcasting. I do not know what the controversies will be ten or fifteen years from now but I think that at the moment there seems to be no insurmountable obstacles in the way of considering CATV as part of broadcasting.

Mr. PRITTIE: Mr. Richard may have in mind, Mr. Chairman, closed circuit operations which apparently are not under federal authority now but are contained within a province.

Mr. OUIMET: This is another form of operation.

Mr. PRITTIE: I have another point in connection with CATV. It seems quite clear the way Dr. Stewart and Mr. Ouimet have described it that the members of parliament are faced with this argument which the public use and which the CATV people use and I suppose they have encouraged the public to use it. They say, for example, that you would not try to regulate a person in Vancouver in the use of his rooftop antenna, so why try to regulate the use of the master antenna which is going to serve a large number of people. This is a rather difficult question to answer on our part.

Mr. STEWART: It is a difficult question and I think my answer is that the sooner we come to grips with this and set it up properly and have a comprehensive policy, the better. I think it is perfectly obvious that we are not going to stop distribution by wire and by the techniques that are available. I was reading an address by one of the members of the FCC in the United States to a group of broadcasters the other day and he said that we must at least consider seriously the possibility that all sets will be served by wire in the foreseeable future.

Mr. PRITTIE: Thank you, Mr. Chairman, I will leave that and go, for a few minutes, to this question of structure which is very much in our minds. I was impressed, too, as other members were, with the simplicity of the British operation. I understand, too, that Canada is not the United Kingdom and there are other complicating features here which we have to take into account. In my own mind, after all the submissions and testimony, I have come down on the side that the board of the CBC, however constituted—and I have some questions in my mind about the relationship of the board and the chief operating officers —should be responsible for the programming operations of the CBC. I think it would be very difficult to operate otherwise.

This, then, gets us back to the question of the powers of the Board of Broadcast Governors and what these powers should be over general broadcasting, as has been explained from time to time; the question of the amount of advertising time; the question of Canadian content, and that sort of thing, which would apply to both the private and public sectors. They have that power now. The real question then in my mind, and I imagine in the minds of other members of the Committee, is whether we should extend those powers. If we accept the fact that the board of the CBC is to run the CBC, as far as programs are concerned, should the BBG have powers, other than general powers, vis-à-vis the private broadcasters. Are they going to play a role in regard to the private broadcasters such as the ITA plays in Britain, or will the recommendations concerning a station's performance be sufficient to regulate the private sector? Can you do anything with that, Dr. Stewart?

Mr. STEWART: I certainly would like to try to because I think we are getting to the core of things here. As I indicated in my previous evidence I am not sure whether the placing of conditions on the licence, is a legal problem or a problem of relationship between the DOT and the Minister as licensing authority and the Board at the present time. Apart from the proposal in the White Paper, and assuming that the board has the authority to place conditions on the licence, we have at the present time all of the authority that is required to regulate the private sector. The question is really the exercise if authority and what the

board should be doing in this area. Has the board, in fact, in its regulations adequately, in your view, directed the content of programming in the private sector or has it not?

My own view here is that, first of all, on what we refer to as Canadian content,—and I would like to say here that the board feels that we need the clearest possible reaffirmation of the position of parliament that Canadians are to receive a Canadian broadcast services,—we may quarrel over whether the Canadian content regulations are realistic or not—I am not quite sure what that word which was used in evidence before you really means—but we certainly agree that the board should review its regulations. I think had it not been for the Committee on Broadcasting inquiries we would have undertaken a full review before this time but we are waiting now until we get the clear direction of parliament on this point to review the Canadian content regulations. I would be prepared to admit that even perhaps Canadian content regulations are not the best way to do this and we may have to look at that, whether there are other ways to accomplish the objective, but we must be firm on the objective. In this area, then, we have the whole question of encouraging and developing a broadcast service which enables Canadians to communicate with one another and to be informed. I do not think we have gone far enough on this point and if the board gets a clear reaffirmation of policy on this, I think we would wish to take whatever action is necessary to proceed further in the Canadian aspect of broadcasting in Canada.

When you get into other areas of the content of broadcasting, my own disposition is to leave these to a considerable extent to decentralized policy decisions rather than to centralized decisions, partly because we live in a very large country and to this extent we differ from the United Kingdom, and I am not sure that it is so easy for a board in Ottawa to decide really on what kind of service should be given in Smithers, B.C. or in Dartmouth, Nova Scotia or Corner Brook. I think one has to expect that you have people engaged in broadcasting in these areas who are sensitive to the needs of their community. This does not mean that the board cannot influence these things but I think one could go much too far in applying a strait-jacket of content regulations to be applied all across the country. I am sure of this.

Mr. PRITTIE: It would be for example simpler if you just had the CTV network to deal with?

Mr. STEWART: It would be much simpler if there were a consolidated system of that kind. I would be glad to pursue the CTV network thing some time with you if you want to, but I am talking about individual licensees and their operations. Now, when you come to the conditions of the licence, I think there are some things the board can do here. Certainly when an applicant comes up and declares that he has studied the situation and tried to make himself familiar with the local scene, and he may be a local person, and he has decided that this is the type of service the community requires and he is prepared to give it, there are probably some things in that application which are so essential to the board's decision on the matter that these things should be put on his licence, not the whole spectrum of 2 per cent of this, 3 per cent of something else and 10 per cent of something else; but you look at his application and say that we would not give you this licence—not award it to you—if that feature were absent.

I will give you a simple little illustration on it. When CJOH—Bushnell Broadcasting—applied for the licence they undertook to do—I have forgotten the amount—French language broadcasting. There was before the board at the same time a bilingual application. In this situation, the commitment to do some French language broadcasting was highly relevant to the decision in the case. Mr. Bushnell did some French language broadcasting; he had little audience and no commercials and he discontinued the service. I am inclined to think that this is the kind of thing that, having committed himself to doing it, because it was significant in that situation, he should have been required to continue to do it even if it hurt. But this is one thing.

The CHAIRMAN: Even if no one was listening?

Mr. STEWART: That is a very good question and this is the sort of decision you would have to make. If he had studied the market properly he would have had some knowledge of what the response would have been. He could not have been completely surprised; and he comes forward and says "I have studied the market and this is something I propose to do".

Mr. PRITTIE: An experienced broadcaster—

Mr. STEWART: We have discontinued bilingual operations where the station operator could demonstrate to us that he had no audience, and he could not sell the time at all. He had no audience; basically that was the problem.

Mr. MCCLEAVE: May I ask a question at this point?

The CHAIRMAN: Proceed, Mr. McCleave.

Mr. MCCLEAVE: Mr. Fred Lyons of KCW television in Moncton, said that he was very happy to see a French television station move in there because he found it very difficult to arrange to provide a French language service from time to time on his station. I do not know whether he supported it publicly or not, but he has told me that this was his experience, that it really was very difficult. I think CKVL in Montreal is perhaps the only station that has been able to function bilingually in this country.

Mr. STEWART: Our experience, very regretfully, is that bilingual operations really do not work; it would be very nice if they would, but in practise they do not.

The CHAIRMAN: Your point then, Dr. Stewart, was that in the Bushnell case, they should have been required to come back to you to justify the dropping of the service.

Mr. STEWART: Yes; I am not going to say we were not unaware of the fact that they were going to drop it, but I think they should come back formally, then; the condition is put on the licence, and I am not saying they should adhere to it in perpetuity, but if they want to be relieved of it they should come back. To give you another illustration, in Edmonton and Calgary, we have had application from approved stations which come before us and say there is a need for a station to do good music. Now, let us not go into the definition of this, but they come forward and say "this is why we are applying". They would not have got their licences, I think, if they had proposed just to do the same thing as other people are doing; but they said "we are going to do something different and this

is the general character of it". Now, in some way or another, we should be able to put that as a condition. It is not easy because one has to define good music, but nevertheless there is something there that they should be required to observe, or come back and say: "We have tried it and it does not work, and we want the same flexibility that other people have."

Mr. PRITTIE: Mr. Chairman, I have one more question of Dr. Stewart, but may I , by the way, ask Mr. Ouimet, does CBOF television have an audience besides myself and yourself and some other people; what size audience does it have?

Mr. OUIMET: Definitely, it has an audience of about 13 or 15 per cent of the population of Ottawa. It is very simple to see why it is that number. While the English speaking audience divides between two stations, roughly 50-50; the French speaking audience, being bilingual, divides between three stations and CBOFT gets one-third of the French speaking bilingual audience. It makes it difficult though as a commercial operation; an audience of 15 per cent or 13 per cent does not make it very easy.

May I comment on one point made in the early part of Dr. Stewart's answer; that is, when he was urging the Committee to make the clearest possible affirmation of the need for Canadian broadcasting to be a medium of self-expression for Canadians, rather than for importations. You remember how many times I have stressed the concern of the corporation about its own performance during peak viewing time, between 8 o'clock and 10 o'clock. I have stated that ours was of the order of 33, 35, or 37 per cent Canadian during those two peak viewing hours. I said also that CTV was even less Canadian. A recent quick survey for one week indicates they were about 12 or 13 per cent Canadian. Just imagine, at the time when all sets are turned on that can be turned on, CBC is two-thirds non-Canadian, and CTV is seven-eighths non-Canadian. The over-all impact of this, of course, is not conducive to the maintenance of a sense of Canadian identity.

But having used these figures to support the request of Dr. Stewart for the clearest possible indication by parliament of what it expected of broadcasters, the CBC and the private broadcasters, I must urge you not to leave it just in terms of an objective to be attained. As far as the CBC is concerned, we cannot improve this figure as long as we have the present commercial exigencies. In other words, if we have to make the same number of commercial mil ions per year, we will not be able to improve those figures. So, I am urging parliament to means that should be placed at the disposal of the corporation to achieve those be clear not only as to principles and objectives, but to be equally clear as to the objectives.

Mr. PRITTIE: This is my last question to Dr. Stewart, and I brought this up when he was here before. The White Paper proposes that you have more full time members of the BBG than you have at the present time. I wonder what is your opinion, Dr. Stewart? You have three full time members now; is this sufficient to do the work that you will have to do, or do you feel that you need more full time members?

Mr. STEWART: Mr. Chairman, I think it is our view that three full time members with the proper staff, with the related staff complement, is workable. If

then, you go to five full time members it must be clear that they will be doing staff work. I think this really is the only anwer I can give you.

Mr. PRITTIE: Thank you very much; that is fine, Mr. Chairman.

The CHAIRMAN: Mr. McCleave?

Mr. MCCLEAVE: I would be glad to yield to Mr. Prud'homme or Mr. Bechard, as the spokesman for my party has already taken about 40 minutes in questions; but I would like to follow up—

Mr. PRUD'HOMME: You follow up; you go ahead.

The CHAIRMAN: Mr. Bechard is not here.

Mr. MCCLEAVE: Mr. Ouimet, I take it that you would really like to see the CBC on a Canadian basis comparable to the BBC, with perhaps the important difference that your revenues would derive from long term parliamentary grants rather than on the licence system, with a lesser amount of commercial revenue thrown in as well; is this correct?

Mr. OUIMET: This is correct.

Mr. MCCLEAVE: Dr. Stewart, you did not hear the English gentlemen and have not yet had the advantage of reading their testimony, but Mr. Ouimet has had made the point here that after a Grey Cup incident—which I presume he classed under the word "chaotic" because he used it—that the BBG and CBC perhaps have kept themselves at arm's length, and that this system has worked well. Is this a correct statement to make?

Mr. STEWART: I would have to say that personally I feel that in the last three years or so there have been no serious problems in my view in the relationship between the CBC and the board; that that has developed out of the use of the consultative committee where we have an opportunity to sit down and discuss things and have a clear understanding of our position on it. I must add, however, that I am not sure that all of my board members would agree with this position, but personally that is my opinion.

Mr. MCCLEAVE: I think Mr. Ouimet was suggesting that perhaps the BBG, under new broadcasting legislation, should be placed in a position comparable to the ITA, although, it would of course, also have radio in there as well as private television. Admittedly, you have not had an opportunity to read the evidence of the British witnesses, but you have had an opportunity, undoubtedly, to see how this system works in the United Kingdom. If you would divorce yourself, personally, for the moment, from your position as chairman of the Board of Broadcast Governors, des Mr. Ouimet's appeal, appeal to you?

Mr. STEWART: Personally, yes.

Mr. MCCLEAVE: Now, if I could carry it a step further: Do you plan to explore this in the Board of Broadcast Governors, or would it be possible to sound them out on their opinion on this, to see whether your personal views would agree with those of the board?

Mr. STEWART: Mr. Chairman, we have had a number of discussions on these matters in the board, and I have had to report to you on more than one occasion that the board has not been prepared to present a collective view. I think we

have a very representative board. I think I could find on my board, all the commonly held views about broadcasting that you have heard. As a representative board, perhaps this is the way it should be, but it does happen on quite important issues that the board will be quite evenly divided on things. I think it was the board's view that if we passed a motion, say, by an 8 to 7 vote, to send this forward as the view of the board would be misleading to the Committee.

Mr. McCLEAVE: On this point then, it is fair to say that there is a division of opinion of somewhere around 50-50, or in that area; there is no clearly one-sided opinion one way or the other.

Mr. STEWART: Yes.

Mr. McCLEAVE: This would be fair, yes. You have mentioned the consultative committee; when was this established?

Mr. STEWART: I think in early 1960; it was just about a year after the board was established and at the time there were two committees set up. One was a consultative committee on public broadcasting, which enabled us to sit down with the CBC representatives; and also a consultative committee on private broadcasting and we do meet with them occasionally and discuss our mutual problems with the representatives of the CAB.

Mr. McCLEAVE: So that whether new legislation was established or not, it would be likely that these informal *ad hoc* arrangements would be continued by the BBG with the CBC and CAB.

Mr. STEWART: I would certainly think so, I think they are useful whether they go far enough or not, but I think they are extremely useful anyway.

Mr. McCLEAVE: That is, to meet problems before they really become serious public problems, and all sides generally find this method acceptable.

Mr. STEWART: Yes, the board certainly does; we learn a great deal, and sharpen up our own views by these discussions and in the case of private broadcasters, what we find extremely useful from them is that admittedly they do not like regulations and we do not debate that with them; but if we are considering a regulation, the comments of the private broadcaster on the way in which it will work is very useful to us and we can make a regulation more effective after this kind of consultation.

Mr. McCLEAVE: My final area of questions, gentlemen, arises out of the question of Mr. Prittie that was partly answered or which was not expanded on at that time. In dealing with the BBG as a comparable Canadian body to the ITA, you have one stumbling block that I can see and that is the ownership of the distributing outlets in Canada which is private, as opposed to the ownership of the British outlets, on the independent system, which I must say I fail to grasp, but I gather it was not owned by private entrepreneurs but it might have been owned by the ITV itself and then licensed out to individual operators. Am I correct in this?

The CHAIRMAN: Mr. McCleave I do not think that is quite exactly the situation, is it? The facilities are publicly owned and the programming is done under contract with certain private companies but it is only the programming in which private companies have any part and not the facilities.

Mr. McCLEAVE: All right. Well, then, perhaps, I could follow that up and ask you, Mr. Chairman, or some other member of the Committee, whether the management of the stations in the ITA group or network is by licensees or by people appointed by ITA?

Mr. STEWART: I think the Chairman is correct that the facilities are publicly owned. The investment in the facilities is made through public funds so that the ITA then has certain facilities at its disposal. It then hears representations at public on the part of people who wish to be the program contractors, to contract with the ITA to do the programing on the station and, if they are awarded the contract, then they proceed under the direction of the ITA to put the program over the facilities.

Mr. OUIMET: Mr. Chairman, on this point, just to make sure there is no misunderstanding, when Dr. Stewart referred to the facilities, I know he was referring to the transmitting facilities. The studio facilities where the largest investment is, belong to the program companies.

Mr. McCLEAVE: I must say, Mr. Chairman, that the views of the British experts are quite drastically altered my thinking with regard to what should be done in Canada and I think Mr. Ouimet's plea, which probably is for us to get away from concepts of broadcasting that developed in the 1930's and to write in effect a new Magna Carta for broadcasting, really appealed to me, but it seems to me there is just the stumbling block of the factor of ownership or control of the individual stations either on the CTV or for that matter any private broadcasting station or radio station that we have in Canada.

Mr. STEWART: Mr. Chairman, in 1959 I was over in London and I had an opportunity to meet Sir Robert Fraser and talk to him about these things and, the big difference, it seemed to me, was that when I said to Mr. Fraser "how do you in fact control the stations"? he said, "well, there are five program contractors in the U.K., and we meet once a month and they go back and do what we decided they will do."

The CHAIRMAN: There are fourteen now.

Mr. STEWART: Well, there may be fourteen now but we have a very large number, and in this respect conditions are very materially different. We cannot operate on that same basis and so we have to do it by regulation but we are still confronted with the large numbers of stations we have to operate with. Another thing I would like to say is, you know, I am not sure that in the U.K. they are very much happier with their private broadcasting than we are with ours, when it really comes down to the service that is being provided. I judge that they have exactly the same kind of complaints about their private broadcasting that we have over here and so while I think it is much easier in the U.K. under this arrangement, easier administratively, the real problems are just as difficult to resolve.

There is, of course, the difference here, that the private owner of the facilities has property rights in the facilities, and here we get into share transfers, changes of ownership and control, the renewal of licenses, and even capital gains from the sale of private properties in the business, that they do not have over there.

Mr. McCLEAVE: Well, leaving apart then some of the problems that arise because of the different approach to ownership and proprietary rights, there is still a point, that this Committee, for example, could recommend that we adopt a Canadian model to the British system CBC, Independent, Board of Broadcast Governors independent, in exercising control of the private sector. Now, perhaps, there is only one point where there might be a clash and that is where privately owned stations are affiliates of the national system and this I think is where the British system offers us no help whatsoever.

Mr. STEWART: Mr. Chairman, in reading the evidence I think that perhaps not enough attention may have been given to this point of intermeshing of the systems here, because I think it is a key factor. I know that the CBC has said that they would be quite willing to have the board totally responsible for the affiliation agreements.

The CHAIRMAN: The Board of Broadcast Governors?

Mr. STEWART: Yes, the Board of Broadcast Governors.

Mr. OUIMET: Yes, we have said this, so that—

Mr. STEWART: I think you have to see what is involved in this pretty clearly. First of all, the revenues which are available to the station from affiliation agreements are not unimportant to them. In radio they are quite small of course, In television they may not be the major part of the revenue, but they are still substantial, so that this becomes a matter of concern, the terms of the affiliation agreement, and is quite a difficult area.

Secondly, the number of hours; and presumably the board then is going to be responsible for the number of hours that the national service is distributed.

In radio this has got to about 24 hours a week. Some stations take more; but the minimum, I think, has been breached in some cases but substantially the minimum is 24 hours. I do not believe that 24 hours of distribution of the national service is adequate at all. I think, to say to people who live in a community which can only get radio service in this way, "that is all of the national service you are entitled to" but other people are getting 100 per cent,—is just not good enough. I think there should be more, but then we get into this business and are we to tell the CBC they are going to distribute more programs? Then you get into the content of it, and this is not unimportant to the private broadcaster. I mean, if the CBC is distributing programs that draw no audience at all, this is of concern to him. On the other hand, if they are putting on programs which have large audience appeal, then he likes it, perhaps, regardless of the revenue he gets. So, all of these things are involved, and I suggest to you that to get the board into this—and I am not saying they should not, in fact, I do not see any other solution to it as long as we have private affiliates, we can be very deeply involved in the CBC operations through our responsibility for the affiliation agreements.

Mr. McCLEAVE: May I direct my final question then to Mr. Ouimet in suggesting a "Magna Carta Ouimeta" for television and radio in Canada. Would you deal with this last point, perhaps, briefly, because you say you have dealt with it before, although I cannot specifically recall it at the previous Committee hearing, this matter where there is the intermesh.

Mr. OUIMET: About the affiliates?

Mr. MCCLEAVE: Yes, that is correct, sir.

Mr. OUIMET: Let me say first, so that there is no question about it, if there is any problem there that requires co-ordination between the affiliates and the CBC, requires a court of appeal, let the BBG do this until the day comes, which I hope will not be too far away, when we can have all the distribution facilities that we need and when the public will be able to get the whole of our service instead of such a small part of it, as you have heard.

Mr. MCCLEAVE: Well, in the meantime, could these problems be handled, not by a court of appeal but say, by these two consultative committees.

Mr. OUIMET: Yes, and I will go further. If you consider the kind of problems we have had in the past in dealing with affiliates, they have been mainly in terms of being affiliated or not in the first place, or in terms of being disaffiliated. I am talking about television. I think there is a simple solution to such problems. If in the first place we have as an objective—and as an easily attainable objective, because it is not costly—that the CBC will have its own stations eventually, then I think it is very easy to deal with the problems of CBC affiliates relation. If an affiliate is not able to meet the performance required by the CBC in terms of what it considers to be a fair number of hours, or a proper mixture of programming, then that affiliate should be willing to disaffiliate and it should be understood, in that case, that that affiliate then will have to accept the presence of a CBC station in his area. In other words, if we do not have an affiliate we need our own station. If you take that approach, I am pretty sure that a great number of affiliates who may find the burden a little heavy at the moment will no longer find it very difficult when they have the choice of having a CBC station coming in or carrying on with, I think, the reasonable programming distribution we ask of them.

Dr. Stewart and myself agree on so many things that I would suggest you read his excellent memorandum to the Minister of Transport at the time of the "troika" study and you will see that on a personal basis he goes further than I do on all of these things.

There is one point where I do not think I quite agree with him and that is the seriousness of the difficulties that present themselves in terms of the few affiliates that remain as necessary for our distribution. I do not think this offers a serious problem.

Mr. MCCLEAVE: This is on the T.V. side mainly.

Mr. OUIMET: Oh yes. On the other side there are problems in radio, but fortunately, with the development of FM and the availability of new channels over a certain period of time, it will be possible and I think absolutely necessary to develop self-distribution by CBC simply in order to provide the service to everyone in the country, and that it will be possible to do it at a reasonable cost. I have already said that we could replace the distribution facilities of radio and TV affiliates by adding no more than 2 or 3 per cent to our total cost per year. If that is the only thing that remains in the simplification our impossible system, do not let it stand in our way, because the public will benefit by this simplification.

Mr. McCLEAVE: Does this 2 or 3 per cent include also the capital cost, Mr. Ouimet?

Mr. OUIMET: The total operating cost, including the amortized capital investment. To be absolutely accurate on this, let me say that the difficulty with any of our affiliates is usually at a stage of the development of the affiliate where he has become so successful in his operation that he can make more money by being independent or by carrying less from the CBC.

Mr. McCLEAVE: He comes—

Mr. OUIMET: Usually the small affiliates find nothing wrong with the requirements we make of them in terms of distribution, and many of them take a great deal more programs than we ask them to carry. Therefore the difficulties that we find are among the groups of affiliates who really could afford to distribute more, because they are doing well.

Mr. McCLEAVE: Thank you very much Mr. Ouimet.

The CHAIRMAN: Mr. Prud'homme, you are next.

(*Translation*)

Mr. PRUD'HOMME: Could you give us your personal opinion on the future or possible membership of the Board of Directors of the CBC? It has been suggested—and this should indicate that some thought has been given to this possibility—that, in the future the CBC might be directed by a part time Chairman, whereas there would also be a general manager with full powers.

You have been president of the CBC, and still are. You must certainly have a firm opinion on this proposal put forward in certain quarters?

Mr. OUIMET: Yes I have an opinion, a very firm opinion on the subject. After having given a great deal of thought to it I believe that the Chairman should be appointed, not on a part time basis, but on a full time basis. He should give his full attention to his job. I believe that the situation in Canada in this field is quite different from that which we find in Great Britain for instance. You know that in Great Britain, the chairman is appointed on a part-time basis, although Mr. Greene, when he appeared before this Committee last Thursday, stated that he, the Chairman, gives at least five days a week to his job. So, even though on a part-time basis it can be said that means almost a full week.

And the reason why it is necessary to have someone on a full-time basis in the C.B.C. is simply that the problems of the C.B.C. are much greater than those of the BBC. Why? Because the country is so much larger, because we have a service, not in a single language, but in two languages, and also because we have regional operations that are, I think, more complex than those of the BBC.

Yet another, and more important reason is that in Britain, there are no Parliamentary Committees, there are no inquiries, investigations or commissions dealing with B.B.C. there are only a few questions asked in the House. At ten or twelve year intervals when the charter of the B.B.C. is to be renewed then, there is a very thorough inquiry.

But in the meantime, the management of the B.B.C. can give their full time to their work, whereas in the C.B.C.—I look at my own case, for example—I can tell you that very frankly that for the past ten years, half of my time, at least,

has been devoted to outside demands. So, if you had a part time chairman who was obliged to give half of his time to the demands that we have had coming from the outside for the past ten years, he would have very little time available to deal with two networks, visit the whole country and look into the internal problems of the corporation. I doubt if you would have enough time left to devote to the Board's meetings. These can be quite lengthy, they last for three or four days. In our Corporation they are held at two months' intervals, apart from all the various meetings of the executive, program and finance committees. Now, you referred to the general management—

Mr. PRUD'HOMME: The general manager.

Mr. OUIMET: The general manager.

Mr. PRUD'HOMME: Or director general.

Mr. OUIMET: The Fowler Commission speaks of the title of general manager. Well, of course, we need a senior official, whatever his name, but he must also be appointed on a full-time basis.

There is only one thing that I would like to suggest, since you have given me the opportunity to do so, and that is that the entire C.B.C. organization below the Board of Directors should be left up to them. Once the Government has appointed the best possible men available as administrators of the C.B.C., and once it has appointed the best possible chairman, then, that is where the Government should stop, draw a line and tell the Board: "Now you have the authority. It is up to you now to ensure that C.B.C. operates properly in accordance with the broad outlines that have been given to you by Parliament".

I think it would be a serious mistake to decide in advance what is going to come under the Board, whether it is going to be a general manager or an executive vice-president or whether there should be two or three of them, or any other organizational detail. I do not think Government is truly competent to decide these details unless the Government wishes to assume responsibility of the Board. I believe that we now need, if we want a new administration to be given to the C.B.C. especially if we are to pattern ourselves in this country on the ideal model of the U.K.—what we need is a clearer delegation of authority without any division of that authority. Without subdividing its responsibility with the B.B.G. the C.B.C. Board must be given full responsibility for the Corporation's policy and operations. The Board must be given freedom to function for a reasonable period. I know it is not going to be twelve years as in England, but we could start with—

Mr. PRUD'HOMME: Five years?

Mr. OUIMET: A five-year period and after the Board has been allowed to operate five years, then we could assess the work accomplished and, if the Government is not satisfied the Board should be replaced. There is no other solution.

Mr. PRUD'HOMME: Mr. Ouimet, personally I believe as you have just told us that you have been President now for seven years.

Mr. OUIMET: Since 1958, and General Manager since 1958.

Mr. PRUD'HOMME: Well, you must have spent a third of your time answering questions. What do you mean by outside questions. The Fowler Report, Parliament, Committees, is that what you mean by external?

Mr. OUIMET: Including the BBG.

Mr. PRUD'HOMME: Well, I think that eventually we will all agree to trying this. Personally, I would agree, but before I do so, I would have a few questions that I would like to ask. I am going to set aside the whole problem of programming such as "Seven Days", "Sunday", and other questions that bother people. Everybody is talking about too much sex, or not enough sex. People are very nervous about this because it is the preoccupation of the majority of the population. That is why we talk so much about it. People are afraid of the word.

It is not this point I would like to emphasize. I would like to dwell on a main point, inasmuch as I am a French-speaking Canadian.

As a French-speaking Canadian, I would like you to tell me where the Corporation goes wrong. How is it possible that, we who are as federalists from Quebec, French-speaking Canadians, fervently believe, and I shall never be able to speak of this sufficiently. I have been here for the past three years and I think that we are going to have to insist on this more and more. How is it that people of good faith, who come here, who want to make an effort of participation of comprehension, how is it that continuously they are being sabotaged by the French edition of Public Affairs where continuously, everything that has a federalist or federal tendency is turned to ridicule. Now I would like to give you a very recent example—I hate giving examples, but I will give you one example which is the very last of my list of examples. Mr. Marchand went to Chicoutimi, last weekend, where he pleaded very frankly, very honestly, without going down on his knees, on behalf of Confederation.

Now, the News reported the fact but did not give the whole text. The very same evening Mr. Bourgault was on the program. I have no personal grudge against Mr. Bourgault, but that very evening, Sunday night, there was a four-minute interview on the French National Network, also on the English Network but I could not listen to both at the same time, and Mr. Bourgault was asked for his opinions on the Queen's visit to Canada. Once again, Mr. Bourgault said: "We shall extend a welcome to Her Gracious Majesty, we are ready for her in Montreal, but we cannot say how immediately". This is true sedition, in my opinion. During four minutes he spoke on and said: "We will sabotage the Confederation Train. We will make sure that the Caravan does not go through Quebec, we will block . . ." and this is going on continually on the French Network. I insist on one point, Mr. Ouimet. I am not asking to have Mr. Bourgault banished, I believe in individual freedom, I will not say that "X" should not go on and "Y" should go on. But, what I would ask you is how is it possible that in the French edition of Public Affairs, there is no one to represent those who after all, represent the majority of the French-speaking Canadians.

I know you have this problem but the same problem arises all the time. Is there really such great difficulty in exercising authority over the French section of Public Affairs? I would be quite willing to give you full powers for five years, but if we were not able to summon you before us, perhaps not you personally, but the Manager of the French Section. If the French Public Affairs Section fell

into the hands of a well-organized minority group, what would we, in Parliament, be able to do?

Mr. OUIMET: The question you have just raised is very important and it is a question which concerns us a great deal. I can tell you that from the start, I am very happy to hear you say that it was not a question of preventing people, such as Mr. Bourgault, or anyone else—

Mr. PRUD'HOMME: No, no, I agree.

Mr. OUIMET: —who has radical opinions to come on the CBC. I think it is necessary—

Mr. PRUD'HOMME: Absolutely.

Mr. OUIMET: —and wise that everybody should know exactly what all political leaders of the province or the country believe. Sir, the problem is one of ensuring balance. Obviously these problems have not always been equally serious. It depends on the general climate in which we live. We did not have these problems, for instance, five or six years ago. Obviously, because in Quebec there was no ultra-nationalist and separatist movement at that time.

I agree with you, that this year we seem to have given too much importance to people who express these extremists views, which is a sort of reaction which has taken place in Quebec at the beginning of the year of our centennial celebrations. We are looking into this matter and I can assure you of one thing, and that is, that we could be much more efficient if we could give this problem the necessary time.

For the past six months, say twelve months, you have been able to realize that the President of the CBC could have given his full time to all these problems. So I must come back to the question of available time. There are, of course, other things also, there is the question of authority. And I hate to say it, but there has been a loss of authority in the field of Public Affairs since the "Seven Days" crisis. When I speak of Public Affairs here, I do not speak of Public Affairs as a whole, I speak of certain sectors which are rather restricted. The same applies to Toronto also. It is rather in the field of Current Affairs where it is absolutely necessary for us to re-establish authority guidelines which will be as firm as we had before the incidence of these problems. But I would ask you to realize the importance that some of your actions may have, you, of the Parliamentary Committee, on the efficiency of CBC management. Over the past years, over the past months, there has been no hesitation in Parliamentary circles to criticize the decisions of CBC Management. When you have people, who by the very nature of their work, are already rather inclined to be extremely individualistic, very independent, these criticisms coming from the outside do not contribute to an increase in confidence in their Management, and thereby our work is made even more difficult than it should be under normal circumstances. It is every difficult in any case because here we are in the sphere of ideas, of judgments of values, in the field of balance of various views to be put forward, etc. But I would not hesitate for a single minute, in telling you that we still have a great deal to do before we find once again this balance between the authority Management should exercise and the freedom of expression that must be granted to our producers.

Mr. PRUD'HOMME: I would not want creativity to disappear from the CBC.

Mr. OUIMET: That is one of our problems. We are always torn between two opposite principles. We would like to delegate our authority as much as possible to permit creativity on as efficient a basis as possible, but on the other hand, we need a certain degree of supervision. I hesitate to use the word "control", which is a very dangerous term, but it most certainly is necessary that throughout the CBC, certain major principles must be adhered to.

Mr. PRUD'HOMME: I would like to express a wish. Perhaps you could comment on it. In order to ensure the balance between what I would call the authority, I do not like that term "control" or "authority", but in any case we have to use something, which resembles discipline. So in order to make sure that there is this balance between, on the one hand, authority and discipline, and on the other hand, make understanding easier between those in authority and those who are engaged in creativity, would you accept the idea, for instance, of somebody like Patrick Watson, in the Management of the CBC, I would hope that this were possible. Do you think that if he were in Management, it would be possible to ensure some kind of balance to the CBC.

Mr. OUIMET: I do not think we should refer to any specific individual. I do not think that that is where the problem lies at all. The problem is much simpler than that. Everyone, in the CBC, just as outside the CBC, have their own judgment, have their own ideas and views, their own sense of balance. Therefore very often the ideas of some of our producers, and there are not too many of them, do not correspond to the philosophy which the CBC has as an institution. It is merely a question of transmitting this philosophy and of ensuring its acceptance. I do not think that people who have already shown in the CBC a complete lack of respect of authority by rebelling openly against the CBC for several weeks, are ready to exercise authority over others. To exercise authority over others, it is first necessary to know how to accept it, from one's own superiors.

Mr. PRUD'HOMME: I would be inclined to agree with you as regards the individual I mentioned.

Mr. OUIMET: I was not referring to him.

Mr. PRUD'HOMME: Agreed. Thank you.

(*English*):

I have one question for Dr. Stewart. Do you, sir, apart from the objection from our colleague from York-Humber—if he was here I would say it too—I will inform him about it this afternoon—forecast or foresee any major, not objection, difficulty if the Canadian government should decide that on a certain date the two national networks the French networks and English network should be available to all the population across Canada? Do you foresee any difficulty in the application for a licence, let us say, for a French station in British Columbia or in Newfoundland.

Mr. STEWART: The board has just recommended, and it has been approved, a French-language FM broadcasting station in Vancouver.

Mr. PRITTIE: Ralph has not heard about this yet.

Mr. STEWART: I think this is an indication of the board's position. There is a public expense involved but I do not feel that this is the board's concern. If it

were a position of the government that these services in two languages should be available I do not think there would be any hesitation on the board's part to conform to that rule.

Mr. PRUD'HOMME: Dr. Stewart, would you agree with what Mr. Ouimet has said about the division of authority, one complete CBC public service and not as he mentioned one and a half on a two board system. Would you care to comment on that?

Mr. STEWART: Personally, I lean to this view, and it is surprising how often Mr. Ouimet is right. I have to say that this is not necessarily the view of all members of my board.

Mr. PRUD'HOMME: But personally as chairman of the board you would lean towards this.

Mr. STEWART: Personally as Andrew Stewart, I lean toward this.

Mr. PRUD'HOMME: It is quite important.

Mr. OUIMET: May I say that in my case all members of my board agree with the view I have expressed. As a matter of fact, I express their views. They are not just my personal views but theirs.

Mr. PRUD'HOMME: But it is yours, too.

Mr. OUIMET: Yes. Let us not go too far.

The CHAIRMAN: Dr. Stewart, the implication is that you must be surprised at how often some members of your board are wrong.

Mr. STEWART: I am not surprised any more.

Mr. MACDONALD (*Prince*): One of the critical problems that I think faces us far too often in the continuance of public broadcasting in this country is, of course, the yearly allocation of funds to the CBC and the way in which, for many reasons, the amount increases. I am not clear on this and perhaps it is more of a question for clarification at this point than a discussion. Is there any objective assessment made? Has there been a situation where an objective assessment has been made of how effectively that money has been spent?

Mr. OUIMET: Yes, on several occasions. By the way this is not a hard job to do as a board. Obviously we spend large amounts of money and we must be sure that it is spent efficiently. Let me say, in the field of programming a person may think an expenditure effective or not effective, depending on whether he liked the program or did not. In other words, for a lot people programs which they do not like are a waste of money. But, as you know, tastes vary a great deal, so this is not the kind of efficiency I am talking about. We have had several comparisons made over the years of the output of the corporation, in terms of output per man, output per studio, output per dollar, and by "output" I mean the number of program hours we put out for each one of these factors per man, studio, per dollar.

We made such a study at the time of the Fowler Committee and we sent them certain figures which we had extracted from the BBC handbook and from our own CBC accounts. In view of the know high level of efficiency of the BBC, it is interesting to compare our own performance. Here we have to be careful to

say that it is very difficult to compare the cost of two programs without getting into a great deal of analysis of what was in each program. Therefore, I am not saying, in the figures that I am going to give you, that our programming is necessarily of the seme type as what the BBC produces; that it might not be simpler at certain times than the BBC is. Nevertheless, the margin of figures, I think, leaves plenty of room for any difference that might exist between two operations. This comparison was made about two years ago. With half the staff and 15 per cent less money, the original television production output of CBC is twice that of the BBC. The CBC television program output per man appears to be four times that of BBC. The CBC television program output per studio in Toronto and Montreal, is respectively, two and two and one half times that of CBC's London output. The average hourly cost of CBC original television programming is 37 per cent—slightly more than one-third that of BBC.

What I am saying here is that much of the difficulties that the corporation finds is due not to a lack of efficiency but in the overstretching of its resources, in comparison with any other large network that we know of, whether it is the BBC or the ABC, NBC or CBS in the United States. We are trying to do so much because of the two languages and the size of the country, and because we transmit so many hours a day in television in order to hold our own with the American stations that come across the border, that our supervisory facilities, as well as our physical facilities, and our creative and production facilities, are strained to a much higher point than in those other institutions that I have mentioned. So that I am not worried about possible inefficiency owing simply to bad use of what we have, I am thinking of possible inefficiency owing to the overstretching of our resources.

On the other hand, there is nothing we can do; we cannot reduce our hours of operation and remain in a reasonably competitive position with the United States. By this I mean to keep Canadian viewers tuned to Canadian stations; that is all I mean, I am not talking about commercial competition.

Mr. MacDONALD (*Prince*): This is a long way from what I really was trying to get at. When I say "objective", I use that word specifically, because what I am trying to find out here is if any group outside the CBC did it; whether Fowler did this, whether the BBG does this from time to time, whether the government does this; whether there is some completely objective—not by the Board of Directors, or not a committee appointed by the CBC—authority that does assess the effective utilization of the amount of the government grant; this is the question.

Mr. OUIMET: I can answer that; of course the BBG does not and should not; the Fowler Committee did, and in their report I think they point out the possibility of 5 per cent—I do not think it was even that much—inefficiency, which we believe is over-stated; but we agree, and I think every organization would agree that there is always room for improvement, there may be 2 or 3 per cent we could eventually improve in terms of cost by working hard at it.

Mr. MacDONALD (*Prince*): I wonder if I could put the question to Dr. Stewart, and ask him if he would think that this might be—I do not think on a year to year basis—part of the function of the BBG?

Mr. STEWART: First of all, we do not, and therefore we are in no position to comment in an informed way on the efficiency of the CBC operation. My own

view would be that it would really be impossible in any consequential sense for the board to be responsible for the efficiencies of the corporation's operations. It seems to me one has to get into every aspect of the corporation's operations, really to have an informed judgment, and if the board were in a position to do that and to differ with decisions which the Board of Directors of the CBC had made, I do not see how the CBC board could continue to operate, or the BBG would become, in effect, the board of the CBC.

Mr. MACDONALD (*Prince*): It is disturbing to me—I do not know how many others are disturbed by it—that at the moment we are in a position of really signing a blank cheque. Certainly no one in parliament, and I doubt whether anyone in government, has the time or ability to assess the way in which this money is spent.

Mr. PRITTIE: Would the Auditor General, may I ask, come into it?

Mr. OUIMET: Yes, the Auditor General goes over our books regularly, and very systematically.

Mr. MACDONALD (*Prince*): If my understanding is correct of the function of the Auditor General, it would be to point up perhaps gross discrepancies, rather than begin to analyse the kind of complex factors that are inherent specifically to a broadcasting system.

The CHAIRMAN: Mr. MacDonald, surely it is not quite fair to call it a blank cheque, when parliament gives the CBC a specific amount.

Mr. MACDONALD (*Prince*): Well, in one sense it is a blank cheque. For instance, it is easy enough perhaps for some people to stand up and tell you "this is $10 million or $15 million too much", but it would be quite another matter—and perhaps almost unbelievable—for some member to stand up and say "look we should give them $25 million more, or $5 million more".

The CHAIRMAN: We do give them a specific amount, so it is not a blank cheque.

Mr. MACDONALD (*Prince*): No, I know in the literal interpretation it is not.

Mr. OUIMET: May I also add something to this? I think you have really hit at one of the very real difficulties for the corporation in its relations with parliament. The corporation has certain specific jobs to do for the money it gets. Under the system we have had for years, every budget, every dollar we have had has gone before the Treasury Board and has been analysed by its officers, and has been cut to what they thought was reasonable. Then, speaking of the past rather then the future, it certainly has not been a blank cheque.

But speaking of the future, if parliament in its wisdom—and I hope it will have that wisdom—will put the CBC on a long term financing basis, providing a certain amount per year, then I know of no other way than to get the best possible directors for the CBC; to make sure that the board includes its complement of Canadians with wide interests in the arts, culture, and everything else Canadian, but also include some of them who will be familiar with large business operations. When you have this kind of board, and we have, it is possible to have committees, like the finance committee we have now that examines all expendi-

tures, compares them with what they were before, asks all kinds of questions, investigates possibilities of saving—

Mr. MACDONALD (*Prince*): How many days a year do they spend on this?

Mr. OUIMET: It has varied over the years, they meet once a month; a day per month has been the average.

Mr. MACDONALD (*Prince*): Twelve days, roughly, a year.

Mr. OUIMET: Yes, but supported by all the staff of the corporation that is also concerned about such things. The objective of the finance department of the corporation is not to spend money; its objective is to make sure that it is well spent. So, you have the attention being given continually by our finance people, and not only that but by management; the preoccupation of the president, or the vice-presidents is not just to spend money, it is to get the most out of the money we have because the pressures for more service are so great. Our problem is to stretch what we have.

Now, when you get into the question of efficiency of our kind of operation, you are really talking about whether there would be better ways of operating which would cost less for the same output; you are getting into the technicalities of production where most of our costs are to be found. There, it becomes a question of efficiency engineering, as the term is used in the trade. We have a group of people who do just that, who are always examining whether the methods we use in our shops are the best ones—whether we use the cheapest kind of paint suitable for our purpose, whether our paint brushes are not discarded too early, and all this. This corporation is run like any other big corporation, with all the methods you find in other corporations to keep control of costs.

It would do no harm once every ten years maybe, as part of the inquiry that we should have before a new term is approved, whether it be five years or ten years, to have at that time, outside consultants look in and give a report. I think this would be good; there is no problem here, as long as this is not on an ad hoc basis, happening you never know when.

Mr. MACDONALD (*Prince*): It does not seem to have happened, comprehensively, at all in recent years; that is why I raised the question.

Mr. OUIMET: The Fowler Committee, as I told you, had a firm of consultants which must have spent a good year doing just that.

The CHAIRMAN: So did the Glassco Commission.

Mr. OUIMET: So did the Glassco Commission, yes, I did not go further back. We have had them, and we have had our own consultants. As a matter of fact, the consultants used by Fowler in his first inquiry, as well as his second inquiry, were our consultants.

The CHAIRMAN: You have been investigated concerning inefficiency; your efficiency has been investigated into inefficiency. I should think there has been more investigation of the efficiency of the CBC in the last few years than almost any other public corporation.

Mr. OUIMET: It is a sort of public myth that the CBC, because it is a quasi-government type of operation, is inefficient. I think this is untrue of both the CBC and the government.

Mr. MACDONALD (*Prince*): The myth that extends not only outside the corporation, but within it, I guess.

Mr. OUIMET: Yes; well I must say that many people inside the corporation are not better informed than those outside.

Mr. MACDONALD (*Prince*): That is true. I would like to change the subject to another aspect not entirely unrelated. Perhaps I can direct this question, in the first instance, to Dr. Stewart, and if it has already been covered I will pass on. You indicated earlier this afternoon, Dr. Stewart, how, from the positive side, we can encourage the private broadcasters to become more conscious of Canadian content. As you yourself mentioned earlier, we have regulations that spell out, perhaps more clearly in television today than in radio, what we are concerned about with regard to Canadian content, but this has really not been achieved. I do not think that most of us are satisfied with what it has been able to achieve. In your working with the Board of Broadcast Governors have some ultimate proposals arisen which, rather than from the negative standpoint of saying we will not allow you to continue your licence or we will impose certain fines, we could encourage private broadcasters to expand their Canadian sector of programming?

Mr. STEWART: I think, first of all, there are some ways that we can operate, as it were, outside of the broadcasting stations to increase the use of Canadian material. I think we should be looking, for example, in relation to radio, to the opportunities of encouraging the record industry in Canada. If there is a supply of good Canadian recordings available, I think stations will use them. They may have to have a little pressure on them to use them, but we come back to the question of availability of comparable material, and to get that, for example in radio with recordings I think one has to give attention to the recording industry and see what can be done to assist it in developing its material. This is true, I think, in the whole field of "talent", whatever talent is defined as being. And here again I think we should be giving attention in our educational institutions to the development of people with some competence in this whole field, so that the supply of personnel to radio stations would be a better equipped supply of personnel. These are outside out of ones' direct relations with the stations. More generally we are concerned about the criticism that we have been more concerned about quantity than quality, and that perhaps the expenditures of the stations on Canadian production should be looked at as well as the amount of time. There is, I think, a very good point here. Our own thinking on that has been that in terms of the ultimate objective here, which is to expose Canadians to their own communications, time is important. That is, I understand something like $150,000 was spent on "Henry V." Now to put on a couple of hours of "Henry V", gives you a couple of hours of communication, but that is all you get from that expenditure. So there may be a combination of time and expenditure which would be useful here, but I would not say one or the other. Time appears to be deficient; I think expenditure would be deficient in the sense that if it was all put into one or two hours, you really fail to accomplish what you are getting at here; but a combination of the two might work. There are of course, if you want to get into it, various kinds of tax, or licence incentives that one could use.

May I go on to refer to the television field, and I think Mr. Prittie really brought out the difference here, and I think there is a considerable difference between radio and television. In television, I think this problem has to be worked out in terms of the system of broadcasting stations. There is no question that the large metropolitan stations are, and probably are going to be, in a position to spend considerable amounts of money on Canadian programming. But we all know that Swift Current, Saskatchewan, and Lloydminster, Alberta, or Saskatchewan, Corner Brook, Newfoundland, and where have you, simply neither have the finances nor the resources to do much. And so, in this area, with second stations and television, it seems to us that what you are really involved in is a kind of pooling operation whereby you get the resources and the funds to use them where they are, but you distribute the Canadian material to strengthen the service in the outlying parts. We see nothing inconsistent with the history of Canada in this kind of equalization process. And so when we talk about dealing with the large metropolitan stations, and assuming that they are making substantial profits, we think the answer is not to say, well, Toronto will get more Canadian programming but we will do nothing about the situation out in the peripheral parts, in smaller centres. We have to do it in this pooled manner. This is where we come back to the networking.

When the board established the private networking it was really our view that the purpose of this was to develop a system in which this kind of equalization could occur and where programming could be done in various parts of the country and sent into the network that you get this kind of national institution. The network has had its problems, but we still feel that if we want to get this result we have to do it through some kind of networking arrangement. In radio this is just not possible, and we have been encouraging things like the CAB, the Canadian Association of Broadcasters', Exchange. I think there is much more that the metropolitan stations could do here, the very successful ones, to make available material which would be of interest in all parts of the country, through things like the Canadian Talent Library. Again funds are being channelled into the promotion of Canadian recordings and the creation of them for distribution in other stations.

Mr. MACDONALD (*Prince*): Just on one specific point, what would your personal reaction be to some kind of tax incentive, with a reduction in taxes according to a combination of either the amount or the expenditure for Canadian program; do you think this would be a worth-while possibility?

Mr. STEWART: When you deal with particular cases of this kind of use of the tax mechanism, you can always justify them; whether in the general sense it is a good plan to use your tax system for incentives is a kind of a broad question. I think this could be done, and certainly the board would have no objection to the use of tax incentives for this purpose. But I have a feeling that the places where the real production and distribution can be generated do not need too much in the way of tax incentives.

Mr. MACDONALD (*Prince*): My next question relates to the whole problem of expense. There is this particular problem in television with regard to the expense of the microwave network. I do not know whether this has been discussed very much with either of you gentlemen, but it seems to me there is a

particular difficulty here inasmuch as the network facilities are owned by a private company which makes them available at their own particular rental fees. Whether we might not consider that part of the problem has to be resolved either by making a microwave link part of the public utility, or by some standardization of fees or subsidization of fees in order to make particularly a second network more viable. Do you favour this?

Mr. STEWART: Because of my position in broadcasting I would obviously be very happy if the microwave facilities could be available at lower rates for broadcasting. We then get into the question of the control of rates in common carriers and public utilities. I would think that competition in this area might make facilities available at lower rates. I think at the time the present contract between CTV network and Trans Canada was worked out, there was no alternative. When it comes up for renewal in 1968 there will be alternatives and the shadow of the satellites will be there as well. Under these circumstances I would suspect that there will be some decline on rates.

Mr. OUIMET: May I come in at this point. At the time we made the contracts for the microwave, we had called for tenders, so it was competitive. The CBC gave the contract to the lowest tenderers; it gave most of the contract to the Trans Canada telephone system who were the lowest for most parts of the country, but it also gave contracts to CN and CP telecommunication who were the lowest for other and smaller parts of the country; so it was competitive. Furthermore it was more than competitive with the prices charged in the United States for similar services. I have no reason to believe, frankly, that anything that might be done in terms of control or ownership of microwave facilities could make such a difference in price that it would determine the viability or non-viability, say, of the private network. We are talking of small possible variations which will come when all the equipment has been written off, and also, as Dr. Stewart says, when the satellites come. Then there will be a sort of reallocation of facilities, and there will be competition between satellite facilities and microwave.

Mr. MACDONALD (*Prince*): The difference of course, was that you called for tenders and were able to choose the lowest tender, where the CTV network coming in at a later date simply—as I understand it—pretty well had to accept what they were laying down as their costs or charges in terms of what CTV would pay; am I correct in that?

Mr. STEWART: My recollection is that at that time, in terms of available microwave facilities, really there was only the Trans Canada to provide it.

Mr. OUIMET: And also the rates by that time had been set by the price we had paid for them, but under competitive conditions. That I want to stress because it could have made a big difference. We were glad there was a competitive situation, and there will be at the next renewal of the cntract.

Mr. MACDONALD (*Prince*): Competitors in the initial construction, but there are not two competing now. You do not have the choice of two facilities at the moment, do you?

Mr. OUIMET: There could be, yes.

Mr. MACDONALD (*Prince*): There is not.

Mr. OUIMET: I think that the Trans Canada telephone, system have their microwave now set up across the country for the most part. I am sure that if we were falling for tenders tomorrow, for microwave facilities, CN and CP telecommunications would be right in there trying to get the business away from Trans Canada telephone. To say that it is not competitive I do not think would be right.

Mr. MACDONALD (*Prince*): Well, now I would like to look at the other side of the question. We have talked about the private stations in terms of encouraging their aspect of Canadian content. Mr. Ouimet, you have mentioned how the problem of competing for advertising has limited you, very definitely limited you, on prime time. Maybe you have spelled this out, but I have seen only it in the White Paper. I would like to know what your recommendation would be in the way of putting some kind of realistic ceiling on the advertising revenue of the CBC and how much additional money will have to be supplied by Parliament to give us a genuinely Canadian public broadcasting system?

Mr. OUIMET: What we have concentrated our efforts on has been to see that the amount of commercial revenue we were told to get by parliament would not be increased over what we already have.

Mr. MACDONALD (*Prince*): The internal amount?

Mr. OUIMET: Yes. We recommended that the present amount, which is $25 million net, be maintained for years to come.

Mr. MACDONALD (*Prince*): They have a percentage in here, do they not?

Mr. OUIMET: Yes, but this is an entirely different approach which results in a big increase of 50 per cent over the next 5 years. What we recommended was that in absolute terms we make $25 million next year, $25 million the year after, and so on for five years, which is the equivalent of a gradual percentage reduction in commercial revenue, since our expenditures will go up as we develop the service and also since inflation comes in. That is what we recommend, but we would have no objection whatsoever to what I would think would be a more desirable decision and that would be to cut from what we get now—in terms of commercial revenue—say by 25 per cent. The only objection we have is to be cut down to nothing commercially, and the reason there is simply that in order to get certain programs, we must have some commercial advertising.

Mr. MACDONALD (*Prince*): Which programs; are you thinking of hockey and football?

Mr. OUIMET: Well, all of the sports and some American programs which the Canadian public would want to see.

Mr. MACDONALD (*Prince*): Could you give us an example?

Mr. OUIMET: It may be very difficult to get Ed Sullivan or Bonanza, although there the problem is not really one of impossibility. You can always get these programs, if you are willing to pay enough. You could imagine what would happen if in the future, a parliamentary committee should ask: "How much did you spend last year in purchasing American programs, for which you get no revenue?" This would be considered to be the wrong place to spend public

money, but if we purchase an American program and sell it to a sponsor and it costs us nothing and we make a profit of course there is no objection. The same thing takes place in the field of sports. We could really compete in the purchase of hockey rights, but you can imagine what would happen if hockey is not sponsored. We would be immediately accused by CTV or other supporters of CTV and we know that in the long run this would lead to all kinds of difficulties.

Mr. MACDONALD (*Prince*): I am not quite sure of your objective here. You plan a figure of $25 million as a realistic figure, but I am trying to find out what it is related to. Is your final objective simply to leave yourself an open door so you can exhibit certain programs that you think should be available on the CBC, or is this just a figure of the amount of advertising that you think it will be necessary to make a justifiable final budget?

Mr. OUIMET: No, it was a realistic and practical approach to a problem of financing. We know very well that if we had asked to be given $35 million more in order to replace the commercial programs we have now, which bring us revenue, it would have been very difficult to get this money; therefore, we concentrated our energies in trying to convince parliament that they should not force us to go further commercially than we are now.

Mr. MACDONALD (*Prince*): It seems to me that the position is not quite logical. Maybe I am not logical in trying to understand it, but as far as I am concerned if we are now going to contribute $120 million to have a public broadcasting system, it is no less justifiable to say at this point in history; "Really what we need is $155 or $160 million to really do the job", particularly if we look at the results, and this is not to reflect criticism on any individual in the CBC. The prime time right now is only providing us with about one-third of the so-called Canadian programs and the other two-thirds are really importing the whole cultural milieu from other countries, specifically just one. If we are only getting that for $120 million, I think I could argue pretty logically that I would rather see the government pay $155 million and know that there is going to be at least 75 per cent Canadian content in that prime time. It would be what I call neatly or genuinely Canadian content and then you could say that this was justifiable.

Mr. OUIMET: We agree with you entirely on this. Our approach though has been a gradual one. The first thing we say is to stop pushing the CBC more and more into commercial activities, and that is what the Fowler Committee recommended. Fowler recommended in effect that we increase our commercial activities by about 50 per cent over the next five years.

Mr. MACDONALD (*Prince*): You have put the cart before the horse. You are trying to approach it from the wrong end. You are saying: "Just allow us to make use of $25 million of commercial revenue and we will adapt our program structure accordingly", instead of turning the other way around and saying: "These are our goals and this is the kind of broadcast pattern we must have to be fulfilling our mandate" and then realizing those goals you will know what it is going to cost you. I do not think then you could say $25 or $15 million. It would vary, obviously, because this is a tremendously flexible thing; what would be true this year might not be true next year. It would be difficult to

project a four or five year pattern if you wanted to do so in terms of giving a certain kind of freedom to the CBC. You should say: I think we are all primarily concerned with what is on that picture tube—"Here is what we want, this is our goal, what is it going to cost us?"

Mr. OUIMET: You are right. We gave all these figures to the Fowler Committee. We told them what we thought we should be doing, we told them how much it would cost, we told them how much less commercial revenue we should be expected to get. The recommendation we got was to do all the things that must be done, improve programming, get more Canadian programs, get more regional originations, put more public service broadcasting in prime time, but you will not get any more money; you will have to increase your commercial revenue. That is the answer we got. These figures are all there.

Mr. MACDONALD *(Prince)*: Therefore you backed down. I wonder if Dr. Stewart has any comment on this. I would be interested to know of his own reaction.

Mr. STEWART: This brings me back to a point which I think we presented to this Committee before and that is on the Canadian content. Let us assume that it is a good definition. To pursue the intentions of Parliament for a Canadian broadcasting service, the board has to set certain Canadian content regulations which are applicable to the private stations. Mr. Ouimet has made the point that the corporation will operate within any general regulations that the board enacts, but I think it must always be true in this kind of area that the regulations which the board enacts are minimum for the private sector. This will be the level at which they are established, or, if it is commercials, it will be the maximum for the private service.

We think that there should be then a relationship between the Canadian content which is acceptable for the private service, and the level of Canadian content which is acceptable for the public service, and we assume that the level for the public service will be greater than the level of the private service. We think it wise to establish some kind of relationship of this sort so that if it is 55 per cent genuine Canadian content, it is what, 65 or 75 per cent for the corporation. If there is a regulation which is acceptable that in the prime time it is 40 per cent for the private stations, then there must be some comparable but higher level which is acceptable for the corporation. We would like to see these things spelled out to some extent and in essence I think this is what you are saying. Parliament's view of what the corporation is doing in prime time is related to its view of Canadian broadcasting and therefore it must be expecting the CBC to do something in prime time in advancing Canadian broadcasting. If someone could spell this out, then I think we could see the commercial consequences of this in the way in which you have put it.

Mr. OUIMET: May I add that if parliament spells out what is to be the Canadian content of prime time programming, or of programming at any other time for the CBC, then obviously parliament must accept the estimate of cost which the CBC will provide as required to do this job. The problem at the moment is that we are expected to do the job in terms of program improvements, which involve considerable additional cost, but at the same time stay

within some fixed amount which has been arbitrarily set. We cannot have it both ways.

There are two ways of doing it. We are talking about cost and I think the best way is for parliament to say what service is expected. The CBC would then be able to say how much it would cost them to provide it, and parliament would then have to decide whether it will provide the money or whether it will reduce the demands. At the moment, taking the Fowler Committee report as an example, we have an entirely unrelated demand in terms of programming as compared to the provision of funds for it. We must not be caught in that kind of bind in practice.

Mr. MACDONALD (*Prince*): I think we also have a related problem which was refered to earlier, and this is the problem of the affiliates. I think I am in the odd position of agreeing with both of you, on this problem, while you tend to disagree. Mr. Ouimet has said that from the cost point of view it is not really that great to think of the CBC virtually operating a complete service across the country, and I am also in agreement with Dr. Stewart when he says that there are a considerable number of particular situations where if the CBC did this now, some of the private stations would become immediately almost non-viable.

Mr. OUIMET: I did not specify a time. When I say that we should be self-sufficient I mean that over a period of time this should happen. Let me leave a thought with you here. If at the moment 70 per cent of our distribution is through our own stations, 20 per cent—actually it may be 25 per cent—through affiliates—

Mr. MACDONALD (*Prince*): What do you mean by percentages; percentages of what?

Mr. OUIMET: Population. Our self-sufficiency is increasing as we put more and more stations in outlying areas, as we build a few stations here and there as we hope to do in Saskatoon and Fredericton, and other provincial capitals. We will soon be at 80 per cent. Surely we are not going to design an over-all broadcasting structure to take care of the little 15 per cent that may remain in affiliate distribution. We will design it in relation to the 80 per cent self-sufficiency that will have been reached in two, three or five years, knowing that eventually when satellites come with direct transmission, we will be entirely self-sufficient. Therefore, I say the matter of not being entirely self-sufficient in terms of our own stations, is really not a serious argument for the creation or the maintenance of a superboard. All it requires, as Dr. Stewart personally agrees, is simply consultation between two separate and autonomous boards.

Mr. MACDONALD (*Prince*): It is serious to the extent that if you happen to be a private broadcaster and are an affiliate and in the situation where, if you suddenly had to compete as an independent station against the CBC, you would be out of business. I think that is the position of some stations, at least one that I know of personally.

Mr. OUIMET: We have always said that the BBG can carry on with this responsibility until the complete unmeshing is carried out.

Mr. STEWART: Mr. Chairman, may I comment on this. On the question of the ultimate self-sufficiency of the CBC, the board has in fact, that is the BBG, made

a decision, made a recommendation. We recommended that the policy be that we move towards the ultimate self-sufficiency of the C.B.C. Mr. Chairman, may I say that we have no clear directive whether this is acceptable as a policy and we are getting a continuous flow of demands for second stations, but we would certainly like to know if this is the policy under which we are going to proceed or not. Let us assume that the CBC is going to put down the second outlets in places. There would, if you tried to do it all at once, be some situations in which there would be great difficulty in maintaining the viability of the local stations. I think it has to be a process over a period of time, but I would say that the easiest way to maintain the viability of the private stations, if you are going to put in a second outlet, is to put a CBC outlet in. There is however, the other point that if before the CBC becomes self-sufficient, parliament in its wisdom said that the CBC must do x per cent of Canadian content in prime time and that was higher than the amount now, and the Canadian content was not saleable, not commercial and it is replacing commercial programming, this would put some of the smaller affiliates in quite a difficult position because their revenues would decrease. So I think this has to be considered, and it may very well be the extent to which it appeared desirable in the public interest to increase the amount of Canadian content during the prime time will require a different basis of payment to the private affiliates for the use of their facilities during certain times. It does not hinge on the commercial revenue which the CBC obtains.

Mr. OUIMET: The Corporation has no objection to this.

Mr. MACDONALD (*Prince*): I think that is critical because through this transition period particularly we find it difficult to make recommendations concerning Canadian content of the CBC without thinking of some way of equalizing the problem as far as the affiliates are concerned.

Mr. OUIMET: Mr. Chairman, there is an important point here, and I should stress that it has been the position of the Corporation, and we have said so in all our submissions, that no second station, even a CBC station, should be allowed if it would seriously affect the viability or the position of the existing station. We are not in a great hurry in this. As long as we know where we are going, everything will fall in place.

Mr. MACDONALD (*Prince*): I could go on but I think I have taken more than my share of the time this morning. Thank you.

The CHAIRMAN: There are a few questions that I had but I guess there will be very few that I can take time to pose to you, gentlemen. If we were to have some Canadian content regulations in future and Dr. Stewart suggested, I think, that that perhaps is not necessarily the best way to obtain the objective of Canadians receiving Canadian broadcast service, should these regulations require for both the CBC and the private broadcasters that there be a certain proportion of Canadian content in all time periods?

Mr. OUIMET: I do not think that you can deal with all time periods in that manner. The board has in fact separate regulations for prime time which is spelled out, I think, as seven to eleven o'clock, and also for the total time. I would think that the prime time, and perhaps the total schedule are about as far as you could go.

Mr. Chairman, there is one point I had thought of bringing up earlier. Too often we seem to be thinking of broadcasting in Canada as a sort of sport with two teams, the CBC publicly owned team and the private broadcaster team with the BBG as a referee and therefore, if something is required of one, then the other must be sure to meet the same rules. Actually it is not the same problem at all. In the case of the CBC, you have a public institution, an instrument of national purpose to do a certain job. That job should be defined as well as possible. By the way, I should add here, that I think what has been missing up to date is a definition of what is expected of the private sector. There has been no discussion practically in this Committee of this question. Once these things are defined, then I would say the authority over private broadcasting has a clear job to do. Considering all the very different resources individual stations will have then, it has to make rules that apply for that group.

In the case of the CBC, the corporation has a board that has clear objectives and that will try to maximize the service to the public within the amount of funds at its disposal, and to maximize that service in terms of objectives that are clear. How it does this exactly, whether it does this by making its service all Canadian in prime time and all American between four and six o'clock, is really a question for the CBC, I think, to decide because it has the job of making the best possible service out of the money it has. This may be entirely different from what the BBG decides for private stations. However one thing is certain, and that is that taken over all, the mere fact that we have $120 million at our disposal to do the job means that we will come out with a great deal more Canadian content both in prime time and at other times. We will come out that way if the funds are sufficient, but I am a little concerned about the concept of broadcasting as a sort of sporting event with two teams which must obey exactly the same rules. I think the best way we can get the best out of broadcasting in Canada is to have one board and say to it, you make the best possible job out of public broadcasting, that is your responsibility. Then you go to another board and say, you have a big job, you get the best possible out of private broadcasting.

The CHAIRMAN: Mr. Ouimet, I hate to interrupt you. I am enjoying your comments but we have a very few minutes left and I would like to get some information.

I understand from your comments that you do not feel that any Canadian content regulations need be laid down for the CBC; that there should be a general instruction, as is given to the BBG, which does not specify particular requirements. I also gather from your comments that you do not feel there should not be any Canadian content regulations down in legislation. There should be no government laid down Canadian content requirement for the private sector either; that each board, the BBG and the CBC, be given a general instruction as to what their objectives are to be and that each board decide how they carry out those objectives in terms of Canadian content. Do I understand you correctly?

Mr. OUIMET: No. I do not want to go that far.

The CHAIRMAN: Well, it would seem to be the burden of your comments.

Mr. OUIMET: No. I am saying that as far as anything that the BBG can lay down in general terms for Canadian content for private stations, the CBC will have no difficulty whatsoever in meeting them. On the other hand, if it went into detail, and that was the question—should there be specific Canadian content regulations for different parts of the day?—then I say there we would be getting into difficulty in applying them.

The CHAIRMAN: I am interested in knowing whether you feel such regulations should apply to the CBC or not? The answer, I gather, is no.

Mr. OUIMET: No. The general regulations, right; the very specific, no; these should not apply to the CBC, I think it would be a very difficult thing to work out in practice,—it is not a philosophy problem.

The CHAIRMAN: Do you feel that some specific regulations of that kind are desirable for the private sector?

Mr. OUIMET: I think that for the private sector, the BBG will have to vary its regulations *ad infinitum* to suit the different local situations.

The CHAIRMAN: In other words, it should not be laid down in legislation. It should be left to the BBG to apply in a flexible way, depending on the geography and the economics—

Mr. OUIMET: There my answer is that minima, the lowest common denominator could be laid down but it should be expected that stations which have the means to do so could do a great deal more than that.

The CHAIRMAN: Well, we had mentioned the possibility of a monitoring system which ACTRA has proposed. This is being studied, is it, seriously by the BBG?

Mr. STEWART: The plan that Mr. Comor brought to us and other monitoring arrangements.

The CHAIRMAN: So that there may be a means of enforcing such regulations which you have not had up to now.

Mr. STEWART: We are certainly planning to use monitoring arrangements as a further means of enforcing them.

The CHAIRMAN: I just want to ask one further question of both of you. The suggestion of the ACTRA people that there be a trusteeship for the CTV network ready to take over the private facilities at any time was a rather interesting one. Do you have any comment on it?

Mr. OUIMET: I have no views on the question.

The CHAIRMAN: You have no views, or you do not wish to express them?

Mr. OUIMET: I think it is too early to express views on this. CTV has been reorganized recently. I think that time will tell what it can achieve and I wish them well.

Mr. STEWART: I will try to make my answer as short as possible. I think also Mr. Fowler recommended, or at least said consideration should be given to a trusteeship. Our view is that if the board had certain other authority with respect to affiliation with the private network which it has with respect to the

CBC network that we would wish to see the private network operate under these conditions before we made up our minds whether any further move such as trusteeship or involvement in the Board of Directors is necessary. We are inclined to think that provided we had the authority to require stations to affiliate with the network we had some authority to determine the formula or to approve the formula for the distribution of costs between the stations; that that might be sufficient without taking the further step of a trusteeship, or, as I say, representation on the board or something of this kind. I would not wish to see this done immediately.

The CHAIRMAN: Thank you. If there are no other urgent questions at the moment, we will adjourn until 3.30 this afternoon.

AFTERNOON SITTING

TUESDAY February 7, 1967.

The CHAIRMAN: Gentlemen, I see a quorum. This afternoon we have with us representatives of the Canadian Association for Adult Education: the director, Dr. Alan Thomas, and two members of the association's board of directors; Mr. Arthur F. Knowles, executive director of the Metropolitan Educational Television Association of Toronto; and Mr. B.E. Curtis, director of adult education for the Colleagiate Institute Board in Ottawa. I believe Mr. Knowles is going to present the submission of the association, and I will call on him now and he can feel free to go through the brief in as much detail as he wishes because I do not think members have had an opportunity to read it.

Mr. ARTHUR F. KNOWLES (*Executive Director, Metropolitan Education Television Association, Toronto*): Thank you very much, Mr. Chairman. First of all my apologies on behalf of the Canadian Association for Adult Education, for not having placed the brief in your hands in sufficient time for you to have studied it; this is one of those things where we had an opportunity to appear and there was not sufficient time for us to prepare it and get it to you, and still have time between that date and this.

The Canadian Association for Adult Education is a voluntary body of individuals, organizations, and educational institutions, which is 32 years old. It is responsible for the development of educational television and the co-ordination of its activities in Canada.

The Canadian Association for Adult Education has the honour of presenting the first of two briefs to this Committee. We are grateful that the subject in which we are primarily interested, that is the administration and regulation of Educational Television, has been temporarily postponed as a matter for this committee's attention. We propose to carry out extensive national consultation in the next two months in order to provide the Committee with a range of points of view and information to consider. However, the CAAE does have some general observations to make on broadcasting as a whole, basing our comments on the government's White Paper, but restricting our comments to those areas in which we feel we have some general competence. We will at one point touch on Educational Television, but only with respect to decisions regarding the use of

VHF or UHF frequencies questions, where decisions taken now may impinge on allocation between educational and other uses at a later date.

Regulations and Administration

The CAAE believes that all broadcasting should fall under the authority of a single regulatory Board, composed much as the White Paper recommends. We do not believe that such a Board should in any way become involved directly in the administration of the public or private broadcasting agencies. However, we do believe that the uses of broadcasting have only barely been elaborated, that there are many general and specialized uses to be experimented with and established in the future. Only by providing such a single regulatory agency can the administration of this great potential be encouraged and rationalized. We would hope that the nature and limits of this Board's responsibilites will in the future be made much clearer to all parties concerned, particularly including the Canadian public, so that the quality of relationship between the Authority and the operating agencies can be improved.

The CAAE believes that a way must be found for the citizens of Canada to participate more intelligently, more frequently, and more directly in broadcasting affairs. We believe that an effective means is the creation of regional broadcasting "councils" of citizens, supported by regional offices and an organization we suggest be provided by the regulating authority. We believe that much of the difficulty recently in Canadian broadcasting arises from a lack of clarity in matters of responsibility and accountability. It is presently ridiculous that day-to-day or month-to-month citizen or public comment on certain aspects of programming should have to go through parliament for explication. Few Canadians have any idea as to who the members are, either of the Board of Broadcast Governors, the Canadian Broadcasting Corporation or of the governing Board of the private network.

We believe that such identity and responsibility must be admitted and publicized. We strongly recommend that the members of the regulating authority hold public meetings in every region of Canada yearly, with far greater attempt to make their presence and role apparent to the public. We believe that the regulating body should have regional offices with a budget and responsibility for the organization of advisory councils composed of individuals and interested organizations. Only in this way can the vital function of comment and criticism be kept alive and vital. These councils must be so organized so that they do not become mere creatures of the Authority but should have modest budgets and support of their own. There are many new models of such Councils presently appearing in Canada.

It is possible that an independent body or public "foundation" would be the most effective means to carry out the necessary functions of comment, criticism and suggestion. It may, in fact, be necessary at times for such a body to make comment on the actions of the regulatory body itself, so that a degree of institutional detachment is desirable.

The CAAE believes that the Regulating Authority should stimulate and encourage major investment in communications research in Canada. This can be done by encouraging research in a number of Canadian universities, as well as elsewhere by contracts, fellowships and research grants. It is a sad fact that

Canada has invested more capital in the means and materials of communications proportionately than any other country in the world and proportionately less in research into investigation about and reflection on this complex area of endeavour. Despite the fact that the work of Harold Innis, and Marshall McLuhan in this area have contributed one of the few widely known, wholly original Canadian intellectual traditions to the world, the field is lamentably unsupported in academic halls throughout the country. Attempts have been made from time to time by universities—the University of British Columbia, Waterloo and now at the University of Saskatchewan at Regina, but these efforts remain sporadic and small scale. The CBC Research Department has conducted some admirable studies dictated naturally enough by the needs of the Corporation, but it has failed totally in systematically creating a field of research in Canadian universities by sponsoring extra-mural research if only to ensure a regular supply of competent staff. We question whether in fact major research is a function of the CBC. There has been no public or private support of any great consequence for research despite the decisions made continuously about communication and media in Canada, and their vital significance to the life of the country. We urge that the Regulating Authority be instructed to make sufficient research possible on a continuing basis. It would at the very least provide a rational basis for its deliberations.

Channel Allocations

The CAAE supports the present position of the Board of Broadcast Governors to the effect that education or non-commercial use of television should not be confined to the ultra high frequency (UHF) band, or that commercial broadcasting be assumed to be more naturally identified with very high frequency (VHF) channels. We believe that strenuous effort should be made to extend the use of UHF and to provide greater resources for television use in Canada for a number of purposes, by the following means:

(a) that the Federal Government move immediately to require all new TV sets manufactured in Canada to be made capable of receiving all signals, whether UHF or VHF. We believe that citizens should not, in effect, be made to pay an extra "tax", that is the cost of such conversion in order to make use of educational or other broadcasting services on UHF.

(b) that since sets now in operation are limited to VHF reception we suggest that when UHF broadcasting becomes available, that the Federal and Provincial Governments finance and encourage the necessary electrical alterations. When the Province of Ontario changed from the transmission of electric power at 25 cycles to 60 cycles, the provincial government paid the cost of converting privately owned electrical equipment. We believe that a matter of as great or perhaps greater importance if not as great magnitude is at stake here.

(c) that commercial channels be allotted in the UHF band, where there is a limited availability of channels, so that there will be a growing incentive for the alteration of sets and the acquisition of new all-channel sets to be undertaken on a large scale. We would support the contention of the Minister of Education in Ontario that the next best

technical television frequency available, where a reasonable mixture of public and private service already exists, should be reserved for education.

6. *The Canadian Broadcasting Corporation*

The CAAE believes that the financial instability of the Corporation should be reduced by the following means:

> ...the provision of a five year statutory grant to the Corporation ...the gradual increase of the amount of that grant so that the Corporation's dependence on commercial revenue will be steadily reduced to a very small percentage of its financial requirements.

We are not insensitive to the variety of controls and influences to which the Corporation must be subject to stay healthy and vigorous, nor to its need to perform a great variety of services as repeated by report after report. We believe, however, that to create competition for air time, for example between public affairs and popular entertainment shows on a financial basis rather than other means of estimating program priorities or needs is both incorrect and dangerous. The tendencies within the CBC to relate audience ratings to the "success" of the program inevitably has the result of driving programs for which there is only likely to be a minority audience either in to inferior time slots (viewed at great inconvenience if at all) or stimulating the superficial, slick, sensationalized treatment of important Canadian public affairs issues.

We believe that the CBC should be encouraged to undertake the vigorous and inclusive training program recommended by the Report of the Fowler Committee, and that the CBC Board should become much more accessible to the public. It has been quite apparent during recent years that few Canadians have any idea who the Board members are or the reasons for their appointment. This might be corrected by requiring the Board to hold some portion of its regular meetings in public in various parts of Canada each year.

The CAAE supports the present policy of the CBC and the BBG in providing independent CBC television services in each major market. We think that while affiliates have in the past served the interests of national broadcasting commendably that dependence on them should continue to be reduced.

7. The CAAE believes that private ownership of radio and television stations should be set at a fixed number per owner as it is in the United States. We are aware of the problems involved, but think that this at least provides some deterrent to monopoly. We also believe, respecting foreign ownership, that broadcasting is no less important to our national existence than banking and that a similar restriction of foreign ownership to 25 per cent of any one agency should apply.

8. *Programming*

(a) *Content Control.* We are aware of the problems involved in regulating content and regard, for example, the 55 per cent Canadian content regulation as suitable only for the want of something better. All numerical measures of this kind introduce a degree of casuistry into their enforcement. We do believe that a clarification of responsibility, plus the improvement in quality of relationships

that this will bring about, plus the establishment of regional offices of the Regulatory Authority will create a more flexible response to specific circumstances and events, making it possible to abandon inflexible rules except in extreme cases.

(b) *Bilingualism.*

(i) The CAAE supports the extension of French language radio across Canada and to as large a proportion of the population as is possible. We suggest also the provision of French and English television services wherever the population is of a sufficient mixture, say to the degree of $\frac{1}{3}$-$\frac{2}{3}$. We think, however, that very much greater experiment with bilingual channels and mixed programming is required where the provision of alternate services is not immediately practical. We believe that new financial security for the CBC will help encourage this sort of experiment. We regret the virtual separation of the two networks into language and cultural units and believe that the Corporation can and must do far more to provide the essential cultural communication the country requires.

(ii) *Language Familiarization and Instruction.* The CAAE believes that a great deal more can be done towards language familiarization and direct instruction by the public service, particularly if greater financial security is assured. We regret very much the dropping of an imaginative and extensive language teaching project proposed two years ago by a number of Canadian universities and the CAAE. We believe that a similar project should be re-instated.

Mr. PRITTIE: Excuse me, Mr. Knowles, are they teaching English and French?

Mr. KNOWLES: Yes. Language instruction. There was, as Mr. Thomas will go into later, a very interesting proposal which was dropped.

(c) *Local Programming—Radio and Television.*

The CAAE believes that much more encouragement should be given in both media to local programming. We believe that new technical innovations such as "Open Line Programs" on radio, plus the increase in numbers of TV outlets now make this more possible and that it should be encouraged. While we hesitate to fall back on percentage regulation of content to ensure local programming, we do believe that the Regulatory Authority should take steps to encourage a certain amount of such programming. Special provisions might be written into the broadcast regulations for the purpose of stimulating local dramatic, music, cultural, public affairs and other programming.

(d) *Station Specialization—Radio*

The CAAE is familiar with the arguments for "program balance" advocated by Reports of Royal Commissions, Committees and as presently imbedded in BBG policy. We think however that these arguments apply to a previous period of fewer outlets, and that balance is a matter of community experience, rather than each station's broadcasting pattern. We would encourage experimentation with specialized radio stations. The present wide-spread repetition and similarity of station programming seems to us wasteful and uncreative.

We would particularly encourage experimentation with radio frequencies for the broadcasting of the entire proceedings of Parliament, a much simpler matter than television, whereby citizens anywhere is the country could tune in to the business of the House of Commons. We suggest that radio frequencies could be employed in both the official languages, in all parts of Canada.

9. *The Northern Service*

The CAAE supports the extension of the Northern Service on an expanded basis, and would argue that there is room there for a great deal of experiment in the use of broadcasting for a variety of purposes, general and educational.

10. *Concerning Community Antenna Systems*

The CAAE supports the view that such systems are an integral part of the national system of broadcasting and should be subject to appropriation regulations, responsible to the Regulatory Authority.

11. *In Public Affairs*

The CAAE has a long standing special interest in public affairs broadcasting. We are aware of the many problems associated with this sort of broadcasting, particularly those affecting the public authority. We believe however that despite these problems vigorous, and independent public affairs broadcasting is of the very greatest importance to Canada. We do not find ourselves in support of private enclaves within any single agency such as the CBC, appealing for public support over the heads of management, but neither would we support a restrictive, unimaginative "play-safe" policy on the part of the Corporation. We are for a strong, united, independent CBC, able to engage in aggressive public affairs broadcasting independently and co-operatively with other agencies, but accessible, at least at the Board Level, to public comment, without being overthrown by it. We believe that clarification of areas of responsibility, financial security and the reduction of dependence on commercial revenue, reasonable access by the public, and a strong internal training scheme will do much to make this possible. We believe at the same time, that the private stations have a major responsibility for courageous and independent broadcasting, and that vigorous competition in attitude and point of view on specific issues is much to be desired.

This brief respectfully submitted for the CAAE and we would be happy to answer questions and, perhaps, Dr. Thomas would be prepared to field any that the Committee puts, Mr. Chairman.

Mr. PRITTIE: Mr. Chairman, will the CAAE be putting in another brief on educational broadcasting later?

Mr. THOMAS: That is certainly our intention. It is an area in which we are particularly and obviously interested, and we had hoped that there would be a little more time for the kind of national consultation we would like to carry out, and then we will put in a much more thorough kind of brief, I think, on educational television.

Mr. PRITTIE: Well, I just asked so that we may, perhaps, keep away from a subject at this time and deal with other aspects of broadcasting that they bring up in their brief.

Mr. KNOWLES: Could I add to this comment that we are very interested in stimulating the convening of a national seminar on educational broadcasting

which would be on an invitational basis, under the aegis of the CAAE, for the purpose of providing a great many points of view on subjects which would arise in the educational area.

Mr. BRAND: Well, Mr. Knowles, Mr. Thomas and everybody else—on Page 1, I believe, the CAAE believe that all broadcasting should fall under the authority of a single regulatory body much as the White Paper recommends. As you know, the White Paper is a little vague and so are you. I wonder if you could clarify just exactly what you mean. You say it should be independent; some of it I agree with, by the way, but I would like a little clarification of your position as laid out in Part II on Page 1.

Mr. KNOWLES: Well, let me start, and perhaps Dr. Thomas or Mr. Curtis could add to this. I work as Mr. Fraser does, in the area of program development within an organization, and I must add, quite unlike the CBC. I would make a sharp distinction between the functions of program development and regulation. It seems to me this is a very obvious necessary distinction. I would find it, I think, impossible to develop programs and to work in the program development function, whether in a private or CBC station or agency, without having a very sharp distinction between those areas and the function of regulation. It seems to me that the regulatory function is quite clearly different and distinct from the program and all the other aspects of development of the broadcasting function itself.

Mr. BRAND: Are you suggesting that you feel it would be better if there was another board just to control the CBC and another board on top of that to control private broadcasting, and that this is a super board on top?

Dr. ALAN THOMAS (*Director*): I think by implication we are rejecting the notion, proposed by the Fowler Committee, of relating a regulatory board to management as closely as that report suggested. We are suggesting that there should be a board to which private and public broadcasting are responsible for purposes of programming, for purposes of program regulation and for purposes of appeal eventually with respect to programs, and that board would be composed, I think, very much the way the present Board of Broadcast Governors is composed and would itself be responsible to—

Mr. BRAND: Let me understand you clearly; you are suggesting this regulatory board will have to do with programming?

Mr. THOMAS: Well, only in the sense of regulation, in the sense that the BBG is now responsible for such regulations as the control of Canadian content, and the balance of programming in radio stations. This, I think, is the over-all general regulation for which a broadcast authority should be responsible. But in terms of day to day management, the choice of actual programs and the creation of those programs, we believe this is the responsibility of the management of either the private or the public agencies and that this is quite separate from the regulatory.

Mr. BRAND: I think this is a most important point.

Mr. THOMAS: I agree it is, and it is a very confused and confusing one.

Mr. BRAND: Yes, what about the relationship then of this to parliament. As you know now, I presume you understand the way it operates with the CBC

being directly responsible; and you make comments further on about coming to parliament and how silly this is and I quite agree. Are you suggesting that this would be a policy body? Are you familiar with what Sir Hugh Greene pointed out the other day in the Committee here?

Mr. THOMAS: I am afraid I am not.

Mr. BRAND: He pointed out, very briefly, that the Postmaster General laid down the policy for the government and was, in effect, the regulatory authority, and then the two boards, one for private and one for public broadcasting, were separate with no super-board intervening between, under this set-up members of parliament and such can only ask questions of the Postmaster General in a very carefully worded way—perhaps the Chairman can remember the wording of this—whether he is going to make use of his absolute powers under section such and such of the act, we could not have the type of continual inquisition that has been going on here with the CBC under this set-up and I was wondering what your feeling was about this because this is part of the problem that we are associated with now?

Mr. B. E. CURTIS (*Director of Adult Education, Collegiate Institute Board, Ottawa*): Everyone would like to get away from this continual inquisition, but not from the continuous exchange, scrutiny and response, at the public and agency level, to what is going on in broadcasting.

Mr. BRAND: That is not the same as parliament though. You are suggesting that the public would go directly to one of these bodies—you are setting up a few more bodies I notice here—and that the regulatory body would have public hearings with which I would concur, by the way?

Mr. CURTIS: We think that with the provision of something that is a little closer to home in regional areas, rather than have questions, comments, criticisms come through parliament and have to be magnified in order to do that; that the kind of exchange that would be useful both to an agency such as the BBG and to either the public or the private networks, could happen at a more local and readily acceptable level; so the thing does not have to develop into a national backbiting contest before some exchange of views can take place.

The CHAIRMAN: I do not think there is anything in the legislation which requires questions to be directed in the house about the CBC; it is just the practice that has grown up. We are not required to do it.

Mr. BRAND: They are not allowed to do it under the British system.

The CHAIRMAN: No. I think that is not correct.

Mr. BRAND: Well, I will challenge you on that, Mr. Chairman, because I think you will find that it is in the minutes here in which it was pointed out, there was only one manner in which a member could ask questions unless it was on some other debate on the BBC. The Postmaster General could only be asked if he was going to use his powers because of such and such a program.

The CHAIRMAN: For purposes of clarification I think that you will find that this is simply a matter of practice in the British House of Commons, as it perhaps should be here. The situation is not so different between the Minister here and

the Minister there, but the practice in the British House of Commons is that the questions be directed in a certain way.

Mr. BRAND: It is a most important point and I think you are confusing the issue, Mr. Chairman, if I may say so. I do not think you are correct.

The CHAIRMAN: It is a question of whether you want to be accurate or not.

Mr. BRAND: Exactly; I would like to be, and I do not think you are. I think it was clearly stated that he had supreme powers and this is not true under the Canadian parliamentary system. The CBC is responsible to parliament and the BBC is responsible to the Postmaster General, and he has the right to cancel any program or do anything else, and he has the traditional answer to every question "is he going to make use of his extraordinary powers under section such and such" and his answer traditionally is "no".

This is entirely different from our system where we hail the head of the CBC in here and we put him through an inquisition and all the other people, and then the producers show up and the actors show up; everybody shows up and has a great ball, wasting hours and months of time, every time this happens. This is the point that I think is so important.

The CHAIRMAN: All I am pointing out, Mr. Brand, is that there is no requirement in Canada that questions to the CBC or the BBG come through the House of Commons, as seems to be implied by Mr. Curtis.

Mr. BRAND: Oh, no, I agree with that.

Mr. MACDONALD (*Prince*): May I just interject? I think that the useful comment here of Sir Hugh Greene's is that it seems like the CBC was responsible to parliament; whereas the BBC has been responsible to the people.

Mr. BRAND: That is right, and that is the point I want to get at. Is this the type of system you would like to see, the public broadcasting system responsible to the people rather than to parliament as such?

Mr. THOMAS: I think from at least my point of view the answer to that is, yes. The question is how to do it, and the kinds of recommendations we have made with respect to regional councils and to this very difficult matter of whether putting an ad in one edition or two editions of a daily newspaper is a sufficient means of publicizing of Board of Broadcast Governors' hearings, whether that can be counted as legitimate publicizing, is I think the kind of question at stake and it really is not a subject, it seems to me, of legislation but one of attitude to the way in which these boards should function. So far as I know, and I may be quite wrong about this, the announcements of a public hearing of the BBG in which very important matters such as allocations of wave lengths or renewal licences about which citizens may have some strong feelings and opinions, has never been publicized on a radio or television station. What kind of notice does it get? I have never heard it, but that is the limit of my experience; but it does seem to me that with regional offices and with the consistent attempts to mobilize public opinion around these kinds of issues which is not easy to do, the need for it to be responsible to the public is very much greater.

I share with my colleagues the view that it has been the lack of understanding about who on earth the members of boards were and what their responsibili-

ties have been have forced many things through parliament, because that is the only place people thought they could come to make comments that would have ordinarily been settled much more reasonably and valuably outside of a parliamentary committee.

Mr. BRAND: I would just like you to clarify it, and I think probably you already have. You would like to see regulatory authority separate, then, from the actual workings of both public and private sectors of broadcasting?

Mr. THOMAS: That is right. You see, I think the original thought behind the creation of the Board of Broadcast Governors was to separate the CBC board from regulation and competition and our feeling about the Fowler Committee recommendations is that that would inevitably recur, not because anybody wanted it to, but because of the nature of management responsibilities and the preoccupation with them, and we think these two ought to be separate.

Mr. BRAND: On Page 6 you talk of a provision of a five year statutory grant to the corporation. Are there any other financial ideas that you have thought about that would be, perhaps, better than just the five year statutory grant —long term financing?

Mr. THOMAS: We have not gone much into that, but we think that by and large what the corporation needs is some stability in its expectations.

Mr. BRAND: That is the point that I wanted to get, so you are not really stuck to a five year statutory grant. You would just like to see them at least be able to plan in the future?

Mr. THOMAS: That is right. I guess probably this five year statutory grant is the best suggestion that we had for ensuring that. If there is a better way of ensuring the financial stability over some period of time for the corporation, then we would presumably support it.

Mr. BRAND: With the BBC, I think, it is twelve years until it is reviewed again by a committee which although constituted by the Commons in Westminster, is not composed necessarily of members of the House of Commons, such as this Committee. They are going to review it in twelve years. They are allowed to plan for twelve years ahead after the last report. Would you like to see this type of approach, to give them their head more or less and see what they do with it?

Mr. KNOWLES: May I add that I think that in some respects that is probably a little long range, at least, as far as the government is concerned, to conjecture what its capacities to pay are; but on the other hand, technologically speaking I would expect that this is more realistic, that the rapid changes in the technology within broadcasting probably require this kind of long range forcasting, if not long range project building—if I can make a distinction.

Mr. THOMAS: The kind of security that any broadcasting authority in Canada needs to engage in these terribly important negotiations over satellites which, as I understand it, technically can simply pre-empt our existing methods of broadcasting. It seems to me that any broadcast authority in Canada has got to have a reasonable run and basis to carry out negotiations from the kind of strength that—for example you remember Mr. Massey managed to align the Mexicans and the Cubans in preventing the United States from somewhat

unself conscious simply assuming the rights of broadcasting channels in the 1930's. We need to have that kind of strength in an infinitely more complicated kind of system. Personnally, I am a little uncomfortable about comparisons with the United Kingdom, where I think the role of parliament is traditionally substantially different from what it is in the Canadian situation. I think our system not of unitary, but of federal governments and the variety of political powers in the country and also a number of things that are affecting us at the moment, means that I think I would bring different criteria to bear on estimating these than I would accept a straight comparison with the way in which the British conduct their own business in the British context, and that would take a long time and a lot of argument, I expect.

Mr. BRAND: That is what I was going to say.

There is a statement I do not quite understand on Page 6; you say:

> We believe, however, that to create competition for air time, for example between public affairs and popular entertainment shows on a financial basis rather than other means of estimating program priorities or needs is both incorrect and dangerous.

I am afraid you escape me completely.

Mr. CURTIS: I can speak to that. That one does not seem difficult to me. I have in my office here, in Ottwa, a series of excellent films, Canadian content, too, on the city, and as an educational institution in adult education we would be very happy to persuade a local broadcasting agent to use them with a program for the whole adult community, about the structure, function, nature, problems and what not of a city, and here is a city which is contemplating regional development and comtemplating whether it should be a national capital area, and all sorts of other things, and in order to do this usefully as a public affairs series, it needs to be done in prime time; but these kinds of programs do not command the kind of financial support that other kinds of programs do, so that we may be able to do it all right, but perhaps at 7 o'clock in the morning or sometime after midnight, and the value is lost strictly on a financial basis. If it will not draw—

Mr. BRAND: I thought this is what you were getting at. Then you would be in favour, I must draw an assumption from this, of the CBC which was completely non-commercial—I think you pointed out that you would like to see as little as possible—if it could be done?

Mr. CURTIS: Yes, I would indeed, so that the decision would be made on the basis of the utility of the program and the quality of it in a given area, rather than on the amount of financial support it will command in the market.

Mr. BRAND: One last question, Mr. Chairman; on Page 7, you say the "private ownership of radio and television stations should be set at a fixed number per owner as it is in the United States." You go on a little further and say, "that a similar restriction of foreign ownership to 25 per cent of any one agency should apply." Is this a serious problem in Canada today? I am not talking about community antenna television.

Mr. THOMAS: No, but it was raised in the White Paper.

Mr. BRAND: Only about community antenna systems. I will read it to you. It is on page 12 of the White Paper under the heading "Ownership of Canadian Facilities."

> It has always been recognized that the control of Canadian communications facilities should remain in Canadian hands. There are already instances of foreign ownership and potential foreign control extending markedly into the field of Canadian communications facilities, particularly in the community-antenna television systems.

What I want to know is, apart from the community-antenna television systems, how much of this is a problem as far as television stations are concerned? My personal impression is that a great majority of them are Canadian owned.

Mr. THOMAS: I think there is no doubt about that. I do not know the extent of what I suppose is potentially American investment in stations. There has been some, but it has varied a good deal in different periods of time. I think in a way we were anticipating a position which might have to be taken, arising in part, as you know, out of the current discussions about ownership in publications. We can see a time when broadcasting—particularly with the multiplication of outlets—may become just as serious an issue as the *Time* and *Reader's Digest* affair has been with respect to publications in the last few years.

Mr. BRAND: Just in summary, may I say that I agree with a lot of the things you have said in your brief; I think they are very valid and I sincerely hope we will be able to put something into effect through this Committee. One thing though when you were suggesting broadcasting the entire proceedings of parliament did you have a particular sponsor in mind?

An hon. MEMBER: The Mercantile Bank.

Mr. BRAND: I was thinking of something like that.

Mr. FORRESTALL: Mr. Chairman, may I interject a supplementary question in the area which Dr. Brand got into, and it goes back to page 6, where it states:

> We believe, however, that to create competition for air time,. . .

Mr. Curtis, you say here that you believe this and you emphasize this by citing one example and no doubt you could go on and cite many others. This is the basic fault of the system, is it not? Is this indeed what you are saying?

Mr. CURTIS: I would say that Canada deserves a system in which decisions about which programs will occupy prime time can be made on a basis other than dollar value or dollar return.

Mr. FORRESTALL: I am not trying to put words into your mouth; this is why I am trying to give you as much latitude as possible. Back at paragraph 2 on page 1 you make the undeniable statement:

> The CAAE believes that all broadcasting should fall under the authority of a single regulatory board, composed as the white Paper recommends.

I am curious whether or not you have given thought, when you made that statement and put it together with a statement on page 6, to what might

overcome this difficulty. What I am wondering is whether you would care to be specific and comment on whether or not you envision a third network?

Mr. KNOWLES: May I say while Mr. Curtis is preparing his answer on this, that obviously there is a question, if it does not underlie what you are suggesting, sir, I would be very surprised, whether the CBC should or should not be commercial in any form.

Mr. FORRESTALL: I did not want to say that.

Mr. KNOWLES: We are representatives of hundreds of individuals and institutions, many of whom I am sure have not thought about this specific question, or might indeed have very divided views, so we have not come out flatly and said that, as an institution, we are in favour of non-commercial CBC, for example. Personally, my own view is that this would be a desirable objective, but I do not think—

Mr. FORRESTALL: Desirable from the end—and I will take you off the hook—of achieving the point or overcoming the very objection you raise on page 6.

Mr. KNOWLES: The kind of objectives which Mr. Curtis is suggesting here, namely that of establishing program presentation policies on the basis other than of mass audiences, which in this country and North America generally is related to the dollar factor.

Mr. FORRESTALL: That is fine. That question was just by way of supplementary interjection. I have other questions, but I think someone else is ahead of me.

Mr. THOMAS: I would like to add, if I might, Mr. Chairman, something to that.

The function of the CBC has been defined, and quite properly, over a number of reports, royal commissions and things of this nature, and its function to provide commercial information has always been one of its functions, without it ever clearly been stated just on what basis that should be. I can see an argument for the CBC to provide commercial information where it is not already being provided. What we are uncomfortable about is that choices should be made on the need for the revenue. To just add to Mr. Curtis' comment, and here you get into difficulties in terms of broadcasting judgment, and hopefully we will have them for a long time and they will be debated feverishly by all of us interested in them, but—

Mr. FORRESTALL: I hope you are wrong.

Mr. THOMAS: I think in terms of the extraordinary medium it is, there are always differences of technical judgment about what effective broadcasting is, and let me just share one with you.

We believe we have now a population who have been exposed to television for some time and it has been used—not only used, but almost habituated to the program organization; that is half hours and hours, and they are used to that. They are used to having their time divided up this way; they are used to switching from one program to another and they are used to this kind of pattern. We believe—and I have argued with the Corporation, because we felt it was the proper body to argue with—that there have been and are national issues of such overriding importance in the life of the country that we should break that habit

and put 1½ hour programs on, which by its very length would attach some importance. Now the CBC from time to time does that, but they do not do it as often as we would like them to. They do not always do it about the events we think they should do it about; but often the kind of argument we get is because of the demand for the financing of prime time, which is the high revenue time, that you cannot in fact interrupt these habits and that you cannot deal because the commercial programs are 1 hour or ½ and hour, and to interrupt with a 1½ hour program can be very easily calculated in terms of the revenue lost; also the kind of audience it may drive away. There are many factors involved, and it is this kind of situation that we would prefer to be able to debate more freely than always on the grounds that the Corporation cannot afford to do it. We think probably the argument that they cannot afford to do it is a legitimate argument on the part of the private broadcaster, because that is the kind of broadcaster he is. We think that this kind of argument from the Corporation interferes with the stated purpose of the Corporation and provides the basis of friction, difficulty and misundertanding that interfere with what the corporation itself wants to do, as much as what we want it to do.

Mr. MACDONALD (*Prince*): As an example of what Mr. Thomas has said, the United States have really tuned their whole country into these various space shots, simply because they have taken whole days at a time, not just 1½ hours, to expose the nation at once to this particular phenomenon, and I think that idea related to instances of national significance is a very important one.

Mr. KNOWLES: It is interesting to note that of course the CBC and CTV do this kind of breakin. They make this kind of break in the programming function with respect to the important public affairs events called sports. They do this during the football season.

The CHAIRMAN: That is commercially profitable.

Mr. THOMAS: But it is also in the national interest. I think we have to share that one.

Mr. MACDONALD (*Prince*): On page 2, under your third point, you state:

> The CAAE believes that a way must be found for the citizens of Canada to participate more intelligently, more frequently, and more directly in broadcasting affairs.

I doubt whether you would find any disagreement with that, at least not from the members who are present this afternoon. You encourage or you support the idea of broadcasting councils, but I think you perhaps raise a problem that is not entirely solved in your own submission. We decry the fact that parliament spends so much time reacting to what happens, particularly on the CBC, but this may be filling a vacuum, because the public seemingly does not have any way to react creatively. They can react negatively I think, but there seems to be very little—to use a popular twentieth century word—dialogue at this point. How much thought has been given by your association to this problem?

Mr. THOMAS: We spend more time in trying to create that kind of dialogue, with respect to a large number of things, than almost anything else we do. We have been doing it in a fairly interesting way with respect to royal commission reports of major public interest in the past few years. I suppose it is

in our nature, but we also think—I suppose we are temperamentally inclined this way—that we have reasonable evidence that Canadian citizens do act when two things happen. One is when they do have some information, and secondly when it appears to them that their action is going to get some kind of response; but they do not act when they do not see any point in it. For an ordinary Canadian citizen to somehow reach up to a parliamentary committee in Ottawa is a pretty complicated and somewhat fruitless appearing activity, no matter how the committee members may feel about it.

By and large our experience has been that if trouble is taken to reach a larger number of citizens than we reach automatically by our methods of communication and information, then they do become interested. That is why we have argued that if these councils are given some reasonable care and attention, not just left to the hope that someone will take care of them, but structured into the sort of system of broadcasting in Canada, that in fact you will get valuable opinion this way, and you will get a response. I have a feeling that that is not a direct answer to your question.

Mr. MACDONALD (*Prince*): I am concerned specifically with what kind of role these regional councils might play; also the appointment of these people and how often they would meet. Could we have a few more specifics, so we could perhaps get a more accurate picture of your concept of this?

Mr. THOMAS: In the first place, there is more decentralized decision-making than people realize. There is really more freedom amongst radio stations and television stations, to make local decisions, than in fact most people are aware of. We have a feeling that in many cases the people making the decision themselves rely on some of the most extraordinary rule of thumb means of trying to tell what it is the public really likes or wants. We think that so long as these are not put on an "out to get the broadcaster sort of start", which is often what happens when there is no machinery, then it is a negative movement that is spawned and then everyone goes into the reaction or syndrome of having to defend themselves.

We think the councils—

Mr. MACDONALD (*Prince*): Just let me clarify this point. Are you thinking of the council just related to the CBC or all broadcasting?

Mr. THOMAS: No, all broadcasting. That is why we related it to the regulatory body, because then it is related to all broadcasting and is alerted when licences come up for renewal; but in fact is far more able to discuss day-to-day kinds of issues.

Mr. MACDONALD (*Prince*): But their communication would be toward this over-all regulatory body rather than to the various broadcasting media directly in their own area.

Mr. THOMAS: We would assume that if these councils work well, then both private and public broadcasters would want to be there. They would certainly want to take part in these decisions and in decisions that do relate to local decisions or regional decisions, then there is a good reason for private owners to be there and for the regional directors of the corporation to be there to take part in the kind of conversation, to explain why something has been done. It may

relate to a whole set of factors that are completely unapparent to the person who wants to know why the Archers have been withdrawn, to pick a cause célèbre in the life of the CBC.

Mr. MACDONALD (*Prince*): Just to try and fill out our understanding of these regional councils a bit more, are you thinking that they might assess monitoring—and that word has been used before in this Committee—the various stations within their immediate area and make some kind of a value judgment which they would pass on in terms of renewal of licences?

Mr. KNOWLES: I see no reason why they would not perform that function, but I would think that that would be only a small part of it. I see some concern being expressed at the notion that the citizens who live in an area served by a public resource, and that is what broadcasting frequencies are, should not have this kind of opportunity to express concern, for example, about the inadequacy of programming. I think that is a legitimate citizen concern and in kind of, to use a catch phrase, alienated society where we are so far often removed from ability to modify institutions such as newspapers and whatever, you need then to create the forms. I think they have to be given some stability economically and again this is a factor within the society, they are not going to operate in a vacuum.

There was an organization in the U.K. which operated for several years called the viewers councils. They had no official status so far as the BBG or ITA was concerned; they existed as a kind of off-shoot of the educational authorities throughout Britain and after three or four years they simply folded, although they had, I felt from reading their literature, contributed greatly to building an awareness of better critical standards of viewing, making recommendations about the nature of the programs, and so on. I do not see this as a negative or restricting thing; I think in fact it can help to stimulate the activities on the part of better broadcasters and to point up the failings of the inadequate ones.

I had occasion last summer to go to Barrie to speak to a local group, and had the opportunity in advance to study the laws of the station and worked out the percentage of local production that there had been in the 102 hour program week on the Barrie station to find that there was only about 4 hours of local production time on the station, out of the 102 hours. All of it was local news, and I think it was commendable from the local news standpoint; but when I drew this to the attention of the people in this community group, they were quite surprised, but also quite incapable of coping with the information. There was nothing they could do about it, short of writing a letter to the BBG to some amorphous beast out somewhere that they had no contact with; and it is in an effort to create this relationship between the citizen for whom broadcasting is basically intended and who has a stake in it, and the program producers or providers—

Mr. MACDONALD (*Prince*): I suppose we could spend the rest of the afternoon discussing this council, but I do not think I had better do that. Other members will ask questions on this later on. I think there is a lot to this—that would have to be clearly thought out in the terms in which you are thinking of this recommendation, because it seems to me there are some areas in which it could become pretty chaotic.

Could I move on to ask for a little more clarification on a further comment in that same section where you suggest that perhaps some independent body or public foundation might be set up to assess the effectiveness or otherwise of current broadcasting. This in a way seems to be flying in the face of your earlier recommendation, and it also perhaps is taking away from people their own opportunity of responding and also perhaps giving us more bureaucracy than might be otherwise necessary.

Mr. KNOWLES: May I speak to this since this is, as you suggest, somewhat in opposition to the earlier section. It would seem to us that there are some aspects of the function of the regulatory body that might in themselves be challenged at times. For example, the decisions announced about the renewal of licences, or decisions announced about awards of stations or other things, which in the opinion of a group or organization, might not be in the public interest or desirable for whatever reasons, to be tied in effect to the regulatory authority. For example, to have an area regional broadcasting council which operated in relationship to a regional office of the BBG might impose considerable limitations of action. There might be a tendenty for the "official's" viewpoint to be the viewpoint which was most heard and most actively expressed in those circles.

We are expressing a notion here that since it is on occasion probably necessary to comment pretty rigourously on the action of the authority itself, then we need that kind of channel. I noted last week a very interesting editorial in the *Saturday Review,* commenting on a decision on the part of the FCC, the comparable body to the BBG in Canada, to permit CBS to in fact buy up several other major communication bodies, creating an even larger entity which controls a vast communications empire. The burden of the editorial was to criticize this direction very sharply. This will be done of course by the press, and this is in many respects an important conscience. I do not think it should be limited to that kind of conscience.

Mr. MACDONALD (*Prince*): But to go about and set up a foundation charged with this responsibility is sort of like the watchbird watching the watchbird kind of thing. Do we or do we not need a broadcasting ombudsman, which you seem to be suggesting? I find it a little unnecessary myself. It means there is not much point in setting up the BBG, if you are then going to turn around and set up another group which is going to watch the BBG. I think this is where public opinion and parliament must play their role most adequately.

Mr. THOMAS: I think the issue we were after was the degree to which an advisory body becomes a creature of the person it is advising. We think there are some interesting models now of attempts to perform that function without that happening and I would refer particularly to the council on rural development that the Department of Forestry and Rural Development has just established which is given its own secretariat and its own budget.

This, I think, allows it a much greater chance to really function as a council, to be able to explore its opinions and then advise rather than being called together twice a year to an agenda which is created out of the "person being advised concern" because there is no other way to do it.

This, I think, is the problem we are dealing with and it is not an easy one. I think, personally, I would be confident that if regional councils were given some

budget of their own and enough secretariat out of a regional office, and they had control of and were able to determine their own agenda, they would in fact perform the kind of task that we are after.

Just as an aside to this, it seems to us significant that there is in this country at the present time, coming from a number of sources, partly from the federal government under the title of community development, and partly from the young, a real sweep of people wanting to become more heavily engaged in their own affairs. We think this is a very exciting and commendable kind of movement in Canada, one which is absolutely essential to the particular cause in which we are interested, which is learning, and individuals choosing freely to determine what they will learn. In a way what we are trying to explore with you, as with other people, is the kind of machinery, the kind of bare bones of procedures, that will help this commendable desire of citizens to take a larger part and to become more informed. I think if we take any point of departure, it is that people who have some responsibility, by and large, do become more intelligent about the decisions they are asked to make. This is a risk we are willing to take, the Canadian public. We think that broadcasting is such a vital daily concern of Canadian citizens that it is terribly important for this movement to reach that field as well as others.

Mr. MACDONALD (*Prince*): If I could move on—I know this matter is not closed and I am sure there are other people with questions with regard to that area—on page 5 in dealing with the recommendation about UHF, you suggest that the government should take steps immediately to require all manufacturers to include the UHF capability.

In recommendation (b) are you in fact suggesting that the governments, federally and provincially, actually pay for the individual conversion of sets.

Mr. THOMAS: Yes.

Mr. MACDONALD (*Prince*): I find it difficult to accept as a similar situation to the power changeover because this, I would imagine, was, one, a necessity, and, two, a matter that would run into some hundreds of dollars, even for individual cases; but in regard to the UHF and the fact that television sets have a certain life to them and then they must be replaced by major ones, particularly those who are now going into colour, do you really think that this is the responsibility of any government agency to finance the transformation of a television set to include UHF.

Mr. THOMAS: Well, I can respond to that, and it does verge on what we said we would have more to say about later, but it is that part of it, which it seems to me, may be decided before we have a chance to talk to you again. Our concern is that educational or instructional television is a medium without exception or without equal in its power to reach a dispersed audience, an audience which is practically all of the citizenry or a very large part of it. We do not believe that the potential of educational television is anywhere nearly realized by confining it to children already grouped in schools, or even to adults already grouped in schools.

If I were concerned about the degree to which the television owner can in fact make use of instructional missions on television, and if educational televi-

sion goes to ultra high frequency, then we have cut out for a period of five to seven years the bulk of the population, and what is more, we have cut out that part of the population which needs it most, which will be for economic reasons, and reasons of information, the slowest to replace their sets or to adapt them.

According to the latest BBS statistics, 46.8 p. 100 of the labour force are of the grade 8 or less level. We think this amounts to something very close to a national emergency, and that the country badly needs the opportunity that educational television will give it, plus the non-broadcast organization that has to go along with the quite different syndrome of instructional television as compared to popular television. We would see this as a necessary investment on the part of the country and just as necessary as re-wiring electric clocks. You know, you have to figure out biases in this respect—this is the way we are inclined to look at it.

Mr. MACDONALD (*Prince*): The only bias, when you talk of bias, that you can take into account, Mr. Thomas, is the fact that the very people that you are concerned about are always the first in my experience to get television, provided that there is something practical for them to watch on UHF and if there is not, there is no sense in worrying anyway because they are not going to watch it whether their set has the capability or not.

I think that the natural process of acquiring this facility will happen without the millions, and it will be millions of dollars, that will be expended. I find it impossible, to say the least, to justify this particular expense. I think that your recommendations in regard to the government making this mandatory at this point are well worth considering, but to have the governments, federally and provincially, entering into the actual installation charges on the sets now in operation is something I cannot accept.

Mr. THOMAS: Well, the millions will be the same. What you are saying is that you would rather they be a cost on the individual than on the national treasury.

Mr. MACDONALD (*Prince*): That is not quite acurate because there is always a certain amount of administration and distribution costs that have to be tacked on if you are going to organize it—

Mr. Thomas: Yes, but we have a feeling that to do it on a large basis like that will materially reduce the cost. For individuals to do it, paying individual prices and individual mark-ups will be a considerably different cost than if it is done on a large scale basis. We rather suspect that the cost to the Ontario Hydro of re-wiring was considerably less than if we had added up the cost of all the citizens of Ontario doing it through normal channels.

Mr. CURTIS: I would simply like to add that in principle the matter is the same as our long standing argument that it would be a very good piece of national policy and should have happened long since for the federal department responsible to have freely given television sets to people on Indian reserves across the country and, in fact, make provision for the use of them generally because in every instance that we can find where television is readily available a whole range of other things happen that make the dealing with that particular problem much more successful and much more amenable to change. In a sense,

we are saying the same thing here in a different contest. We think it would be a good investment, in other words.

Mr. MACDONALD (*Prince*): Well, we could go on debating this because it is a very fundamental matter. I would like to ask of you another question relating to your recommendations about bilingualism. You suggest that there should be a provision of French and English television services wherever the population is of a sufficient mixture—one-third to two-thirds. I am rather surprised that you opt for what I would call a very mild form of bilingualism of biculturalism. Surely, in the areas where there is almost no contact with the second cultural language, we need to be sure that this facility is available. I think it is one thing to have French television in parts of New Brunswick where that statistic would be very close to true, but would it not be even more important to have this available in some parts of western Canada where it is crucial that these areas have made available to them as much of the flavour of the second culture and language as is possible.

Mr. KNOWLES: Perhaps I may start the comment off. I am sure that all three have comments as again we reveal our biases, if you like. In the previous discussions they were in terms of the importance of general education in the country as a desirable value. Bilingualism is another. I think it is a moot point, as to which is more important or whether, indeed, these are similar. As practical men we would probably say, well the cost of development of educational or, rather of television in both languages everywhere in the country is probably less desirable than making availability of educational television generally by some national provision. It is again a question of the relative merits of the particular development.

Mr. PRUD'HOMME: May I interrupt; I do not think it would be fair, and I use the word with intention, to deprive my English speaking friends from Quebec city who are less than 3 percent of the entire population, and yet they have an English CBC network in Quebec City. I think you have to be fair, to them. Naturally, if I say that for them I would apply the same for others. The question, I believe, is not a question of percentage; it is simply a question of principle. I think you recognize the federal fact or you do not. If you do, well, percentage has nothing to do with it.

Mr. PRITTIE: Mr. Chairman, I was going to raise the same point about Quebec city. If you look at the brief we are talking about French language radio and I agree with Mr. Knowles. I agree they have a television in Quebec City but...

Mr. PRUD'HOMME: You are reading the French brief and they do not talk about this.

Mr. PRITTIE: No, I am not.

Mr. PRUD'HOMME: In the English brief they do.

Mr. PRITTIE: Is there a difference? The French brief talks about radio, talks about CBM, talks about the cost of these things.

Mr. MACDONALD (*Prince*): Well, then your reason for supporting it is really a pragmatic one; ideally you would support it.

Mr. KNOWLES: Yes, may I add to what I have said and I hope my colleagues will also add to it I question frankly whether we ought to have an English language station as costly as television is in Quebec city. It would seem to me that in the bicultural contacts of this country, the alleged bicultural contacts, it would be much more practical and culturally desirable to have one station which had a modest amount of English programming on that station.

Mr. PRUD'HOMME: I do not believe in depriving them of their rights.

Mr. KNOWLES: Well, obviously there are political factors which enter into it.

Mr. PRUD'HOMME: No.

Mr. KNOWLES: But surely the establishment of an English language television station in Quebec City, to some extent, is a ludicrous manifestation of ancient patterns, and I do not think that a tit-for-tat kind of relationship should develop vis-à-vis the establishment of French language television stations. I speak for myself and not for the CAAE.

Mr. THOMAS: There is a major difference between the English and French version.

Mr. PRUD'HOMME: I know, I know.

Mr. THOMAS: It is just a matter of translation.

Mr. PRUD'HOMME: I am reading from the English copy.

Mr. THOMAS: Yes, but I just wanted to make clear that we did not intend to present a different version in English.

Mr. PRUD'HOMME: Oh, come on, I would never believe that; I can read both.

Mr. THOMAS: I think one way to interpret this is perhaps that our educational views have infiltrated the general views. I am not utterly convinced, believing in the validity of bilingualism in Canada, that the mere provision of a service in the alternate language does the job. I think perhaps where we have mis-stated is our jumping to the belief that some carefully planned mixture will in fact contribute more to the development of bilingualism and biculturalism then simply the alternative provision will.

Mr. PRUD'HOMME: I would like to have a discussion with you about that but it would take too long. I totally disagree with you, and I will tell you why. At this moment—I could say this in French, but I will say it in English, it is a good afternoon lesson—at this particular moment, to do that would just make people furious. They would say: You sneak, you waited to let us know. That is, at the moment, I am not saying that the temper in Canada would go to that extent. I would like that very much; but I do not think this is the right time to do this. Someone would say "they are imposing French on me"; I do not think it is the time at the moment to suggest or do that. To suggest it is all right, but to do it, I think, would just add a little bit more problems by the people who do not feel they need any kind of French. I respect their rights in not speaking French. Some do not need it; that is all right, that is their liberty and a Canadian is entitled to speak whatever language he wants. Do you see that difficulty? I am sure you are much more conscious than I am of the political trend at the moment in Canada.

Mr. THOMAS: Yes, I appreciate the difficulty. I guess what we were saying is that we also were not sure that it was the temper of the country to extend the television network in French from coast to coast, which we would like to see.

Mr. PRUD'HOMME: There you are less imposing because nobody is obliged to turn on the French radio network.

Mr. THOMAS: That is right.

Mr. PRUD'HOMME: But one thing that happens too, is that nobody is born prejudiced, as you know, we are made prejudiced. Today little children will realize that there is another language in Canada. They will ask the question, "why, do I not understand that?" If the family is not prejudiced, they will just say "well, that is the other language of your country". If you have only one station that is bilingual, and you do not want to speak French because you do not like it, it does not bother me. But if you are forced because that is the only thing you have I would not like it; anybody to suggest to the government to do that.

The CHAIRMAN: Mr. Curtis wanted to add something.

Mr. CURTIS: It seems to me that we may have put this wrongly, but I think I sense the temper of our organization that we are not really suggesting an either/or proposition; that is, it is not all one thing or the other. I would certainly support the idea, personally, however—and I think the association would agree—that there are a number of centres in Canada now where there is presently provisions in English and French. Ottawa is a classic example. But where there are a number of people who would become interestingly attached to something that was less of a separation, and in fact was a bilingual station, while they may not sit down for an evening—I would say, as an English speaking person—and watch the French network, because it becomes very hard work if you do not understand the language well, but they would be very interested in some kind of a bilingual pattern on a station which did some things, readily, in each language. I think this is the kind of thing we are talking about, although we may not have said it as clearly as that.

The CHAIRMAN: There has been an interesting and successful experiment in this in Toronto with a Sunday morning program in French, which I think is quite popular. Perhaps we had better get back to let Mr. MacDonald complete his questioning.

Mr. KNOWLES: Mr. Chairman, may I just make a comment on your reference to success in Toronto? It seems to me that the success in terms of public interest with the Sunday morning television programming in French is in sharp contrast to what has happened vis-à-vis CBC, the French language radio station which now has a miniscule audience. I suspect that a great many English speaking people would have regularly tuned into a mixed station that had been doing some programming in French and some in English. It would have had to have been on a scheduled basis, of course, but I suspect that you would have a significantly large English speaking audience tuned in regularly to that station, which, as far as I know, is simply not there.

Mr. PRUD'HOMME: You realize I am not in disagreement with you, because your goal is the ultimate goal that I would like—but—

Mr. THOMAS: Yes, I understand, but there is another element of justice in your argument which is one we take account of.

Mr. MACDONALD (*Prince*): I would just like to comment on Mr. Knowles' comment on the Toronto station. I did some looking into the actual audience and the potential, and while the audience, at present, is not great, the potential is very great in the Toronto area. I think the population is almost twice that of Prince Edward Island who could make use of CJBC. I think as time goes by and people become more accustomed to it, there will be greater use made of that station. I do not think it was quite fair, because of the sudden way it was transformed into a completely French speaking station. I think that in as much as there are, I think, some 180,000 people in the station pattern area who could make use of that station, that it should not be considered in any way a misuse of the facilities there.

I am interested further in that same paragraph where you talk about the separation of the two networks. I think you hit upon something that really has not been discussed very much yet in this Committee, namely the fact that the two creative centres, the major creative centres of the CBC, are so completely separated and isolated from each other. It is only on very rare occasions when they attempt to do something jointly which emplhaizes the fact that they do operate in two very different milieux.

I wonder, beyond your regretting of the fact, here in your submission, whether you have any specifics, in terms of recommendations? Would you encourage, for instance, even greater production here in Ottawa which would involve representatives from the two cultural groups?

Mr. THOMAS: I wish I had a satisfactory solution to that one. I think it is not surprising, in terms of language and cultural difficulty, that our two most crucial agencies should manifest them, should be caught in them; this is not surprising. I do think there is a much greater role to be played on the part of experimental joint programming which can only come from the senior management of the Corporation. I just do not see how it can come from anywhere else.

I think we felt that a greater stability and security for the Corporation would, in fact, enable us to make the demand in better conscience than we make it at the moment. Given the combination of picture and sound that television allows, there is far more room for mixing these two forms of expression between French and English experiences with Canada than the CBC has made use of. I have some experience with how difficult it is, partly, again, because it involves fiddling about with the program schedule. Then we are back to some of the other considerations that affect how that program schedule is planned. But I think that television allows more opportunity for experiment than there has been on it. Other than a determined effort at the very top of the CBC, I do not have any more specific kinds of recommendations to make.

Some exchange in personnel, I know, was very helpful. Mr. Fraser may want to comment on it, if he can, whatever the rules of the Committee are. But, again, it is difficult because so many more of the French speaking Canadians—the Francophones—are bilingual than are the Anglophones, and this makes the exchange a little one-sided, unfortunately. I get an impression from the Corporation now that there are some efforts of this kind being made. I just think they have got to be made harder and faster.

Mr. MACDONALD (*Prince*): Thank you very much; I will pass now to others.

Mr. PRITTIE: I would like to make a couple of comments on this whole subject we have been dealing with on bilingualism. I would support the ideal of a complete television and radio service in all major centres from coast to coast. But I realize the difficulties, both financial and political, of implementing that now, and I think the Corporation is going in the right direction with their extension of the radio service. For example, it was mentioned here this morning that some time later this year a French language FM station will start operating in Vancouver; and I think there is a fair audience for it, not a commercial audience but a fair audience for it and those who want to hear it will have no difficulty in purchasing an FM set which is not so very expensive these days in the transistors.

Mr. THOMAS: You do not think we ought to give them one?

Mr. PRITTIE: Well, that is another question; I do not think we can decide that at the moment. However, I think this is the most practical way to give the service in both languages. I think the main point really of your paragraph on bilingualism—for example, where you want the French language service extended—was mainly for French speaking persons, was it not?

Mr. THOMAS: I think the comment of Mr. Prud'homme about Quebec city was that there are two elements in this. One is the fact of a French speaking population deserving a service in French, just as the English speaking population has a right to, and gets, a service in English; that was one theme of the kind of argument you were using. That is an important one, and maybe one that we allowed to be covered up by our concern about the development of bilingualism and biculturalism which we think needs more attention and more deliverate activity than simply the provisions of service.

Mr. MACDONALD (*Prince*): If I may interrupt, I think what Mr. Prud'homme was saying actually was that he was concerned about the 1 per cent and 2 per cent of English in Quebec and that they should have a service made available to them.

Mr. THOMAS: It is an argument that works both ways, as was pointed out.

Mr. PRUD'HOMME: I do not always take the side that I should take, but it is a new approach.

Mr. PRITTIE: To come back to the proposed French station in Vancouver, I think the primary purpose of this is to give French language service to the people who are of French language origin in Vancouver.

Mr. THOMAS: That is right.

Mr. PRITTIE: But it will have the added service, which I am sure the universities and schools will appreciate, as well as English speaking adults who want to learn French.

Mr. THOMAS: There is one caution to that though, Mr. Prittie, namely, if —and this is a very difficult issue—the programming content finds its source primarily in Montreal and is only about things that would normally be treated by the French network headquarters at Montreal, then the effect will be quite different than if there is local production in Vancouver in French. I think this is

one of our quarrels with CJBC; that it tends to be dominated by French network broadcasting which is fine but in fact is not a real service in the long run to the local French speaking inhabitants of CJBC's area. What they need is local production in French which is about events the context of which is familiar to them. My belief is that the value of this broadcasting in French to English speaking school children, and English speaking adults, would be very much enhanced if the context is familiar to them. I think when it comes of a context of which they are totally ignorant, that is, events that naturally and properly concern the French language network, then they give up on both counts: one is not only do they find the language hard to follow, but it is about things that they do not know anything about; so that you lose them on criteria.

It seems to me that the step necessary to make CJBC really useful is for there to be a French production unit producing things about its region in French; then I think it will work on both sides.

Mr. PRUD'HOMME: May I just take one moment to say, as a resident of Montreal, that I totally and fully agree with you.

(*Translation*)

Mr. THOMAS: Thank you, Sir.

Mr. PRUD'HOMME: This is absolutely true. I would hate going to Vancouver and continuously hearing what is taking place in Montreal.

Mr. THOMAS: Yes, indeed.

Mr. PRUD'HOMME: When we get a French network throughout Canada as we are beginning to have—for the first time now, we have the French network —to the great horror of many narrow-minded people. We have news from Toronto, from the Toronto Legislature, on Manitoba affairs. This, in my opinion, is the role of the CBC; so far, people have been unaware of it, up to now, but it must be made clear now. That is why CBC exists. We must get to know one another. So, I do not think that in Newfoundland people should ever be told about what is happening in Toronto on the English network. The same goes on the French network.

Mr. THOMAS: That is the requirement for a French network.

(*English*)

Mr. PRITTIE: I would like to go back to this question of one or two new boards, or one hand a half boards; and I might exaggerate with that. May I say just a few words about the Board of Governors—the Board of Directors of the CBC. You made the point that they are not very well known and very few citizens can name who they are, and that includes very few members of parliament. I can name some of them, but I could not name all of them by any means. I think your idea of having them meet in different places, and having some publicity attached to it, is a good idea.

I pursued this line of questioning with our British guests the other day. I asked them the question: To whom is the fire directed when there are complaints about the BBC or ITA. I think what you suggested is a rather good idea, but there is a rather built-in habit in Canada of writing to your member of parliament about almost anything. The idea that people should take their com-

plaints to the Board of Directors, or to the president of the Corporation, is something we should try for, but not look for too much success. The name of Alphonse Ouimet is pretty well known across Canada, even if the names of the directors are not. As a practical example, when there was the fuss about "Sunday" and sex a while ago I had a number of letters. I tried to take the high minded approach and say "well, the CBC president and directors are the trustees for parliament for programming, and you really should direct your voice to these people". You can imagine some of the replies that I received, "what was I here for?", and so on. So I did not win any votes with my replies to them.

May I say, I like what you say, and I hope we can achieve it; apparently they are more successful in Britain. But I am pretty sure that 10 years from now when something happens on the CBC that Canadian citizens do not like, they are still going to be writing to parliament and people will still be getting up and trying to ask questions about it.

Mr. CURTIS: Mr. Chairman, in response to Mr. Prittie's remarks, it seems unhealthy to me that no matter what context we put this in, what we come up with is a traditional pattern that if you have a beef you write to your member of parliament; and I subscribe to that, I have been known to do that, too. But what we are proposing, it seems to me, is something that is not so much designed to handle complaints, as it is designed to establish a dialogue in which all sorts of things get threshed out before they come to the rabid complaint stage. I do not think we eliminate complaints this way, and I am not suggesting that this is a method of eliminating them; but I am suggesting that if there was provision at a much more local and accessible level for a constant interchange about the perils of broadcasting, and about other things, many people who presently dash off an angry letter in response to a particular program, because they are people concerned about broadcasting, would find themselves engaged at the local level on a continuing basis with a committee that was talking about some of the things that you have to think about when you are designing programs for a mass audience. Some of these complaints, in fact, would never get started, because people would have been engaged in a long standing discussion of what kind of programs are useful; why do we have to have some kind of programs some part of the day, and some kind of programs some other parts of the day, and so on? I think that in this regard there would be far fewer spurious complaints, and perhaps an increase in well directed and soundly grounded complaints. At the present time we really only provide for people to write angry letters; there is no real provision for the imagination and drive of the Canadian citizenry to make itself felt above the kind of things that would give some, if you like, upgrading to broadcasting generally.

Mr. PRITTIE: I quite agree with you and I like your idea of regional advisory councils if some method can be found to make them effective, and to have the citizens know about them; I agree with you. My only point is that when you have made these efforts, I think the Canadian parliament will still be faced with the sort of thing it is faced with today. I agree with you that the whole point that Mr. Thomas made about citizen participation is a very good one and should be developed, and this is a useful suggestion.

I am sorry the other day, when the representatives of the British broadcasting systems were here, that we did not have more time to go into that part with

them because they have about 33 advisory councils. They have general advisory councils, religious, educational, regional, and so on. I would have liked to explore at greater length just how effective they are, and how much the viewers there know of the existence of them.

I will not say anything more about your paragraph on research; again, this is a very good idea. The part about UHF receivers; I put in a private bill on this subject just to try and highlight the problem. I do think that the government, or whatever authority is necessary—the BBG, or DOT, or government—should be setting a target date at least, so that all sets made or imported into Canada by that date contain this equipment; even if we do not do the other things you suggest, that should be done before very long.

In general I agree with your remarks about the CBC, and statutory financing. I will conclude with asking you to elaborate on the point on page 8 about language familiarization and instruction. This is the plan, apparently, which was put forward and I had not heard about; I would be interested in hearing what it is all about.

Mr. KNOWLES: Perhaps I can start it and then Mr. Thomas could elaborate. The CAAE was involved in a rather major proposal, which was participated in as well by the Canadian Education Association and the Canadian Universities Foundation, as it was then called, and a number of other bodies, and discussed in collaboration with the CBC. It was a proposal for a major language and cultural diffusion program concerning and directed at the study of French and the French community. The idea was discussed thoroughly, and had all of the backing of the necessary educational agencies; but for some reasons which I have forgotten —if I ever knew—it did not get the fullest support at the level of the CBC. Now, I may be saying this in the presence of a man who knows a great deal, or very little about this; but it did have some financial limitations. Do you want to elaborate on this?

Mr. THOMAS: Yes, it was a combined effort of Laval, which now has had its own efforts in language instruction and techniques rewarded by the Ford Foundation, and thank God for that. The University of Manitoba was involved in it, as was the Canadian Universities Foundation, the association of universities and colleges. Curiously enough, it was at the request of the CBC. It is to the CBC's credit, that it was initiated by them, which accounted for some of the backlash that the corporation got when after months of planning—and I think all of you will understand just how delicate and how careful the kind of planning that was involved in it—suddenly the rug was pulled out from underneath. The argument was that in the financial concerns of Centennial, and so on, they could not go on. Well, it was an expensive project; there is no doubt about that. What I think galled us a little about it was that there were at that time at least one, if not two, commercial enterprises of this kind operating in private television which really failed. One was the "*on y parle français*" which had a set of records and books that you bought. Apparently it was sold to the private stations really as a means of selling the books and records which was where the income was. These failed, or at least failed to the extent that they were not renewed, largely because the kind of non-broadcast effort that you have got to do, if you are engaged in instructional broadcasting, was never done. It was done on the strength of simply providing a mailing address and hoping that citizens

would write a letter and put a fairly substantial amount of money into the mail to buy them.

We have a certain amount of experience with this kind of thing; we know how hard it is to do; we know what kind of work is involved, and we know some of the regional susceptibilities in Canada that make it unlikely that people in British Columbia will send money to a mailing address in Toronto—simple things like that. So we were pretty disappointed because we felt that (a) this was the first really major and substantial effort we had been associated with in the corporation, to do something substantial in the practical area of culture and language. We felt it was legitimately and truly the responsibility of the Corporation to do it and something important to do, and we still think so.

Now, the onset of educational television might, if you like, alter this. But I am not convinced of that; I am not convinced that this is not still a job to be done now by a national network when, in fact, ETV, for quite a while, is going to be dominated by regional concerns, or by provincial concerns. This is the background of this situation. I grant that it ran into network programs, it ran into time accessibility; it ran into a variety of things, money in particular.

Mr. PRITTIE: Was it to be a daily effort over a period of time?

Mr. THOMAS: It was three times a week, and it was based on pretty careful estimation; that is, on what pedagogical knowledge we have about learning, largely stemming from the very able group of people that Laval has now in its language experimentation centre which is probably one of the best in the world, or approaching it, in terms of experimentation in language teaching.

Mr. PRITTIE: I have one last question, Mr. Chairman. In your association do you represent any French language groups?

Mr. THOMAS: We have French speaking members. By and large, we have tended to work with the Institut Canadien de l'Éducation des Adultes in Quebec. In those things in which a bilingual and bicultural approach was specifically both practical and necessary, we have tended to work jointly with them as we hope to be able to do with the consultation on educational television; at the moment, they have indicated their interest in sharing this responsibility.

Mr. PRITTIE: They are a separate organization.

Mr. THOMAS: They are a quite separate, independent organization.

The CHAIRMAN: Mr. Prud'homme, do you have any more questions? Mr. Forrestall?

Mr. FORRESTALL: I have just one or two questions, and they might sound very mundane after what has been a most interesting discourse for me.

Mr. THOMAS: They are the ones you have to watch out for.

Mr. FORRESTALL: I would be interested in the three of you commenting frankly, and as individuals, not as members of the Canadian Association for Adult Education, in whether or not, as individuals again, you would support the proposition that possibly we should divest CBC of its recourse for funds to general advertising and revert to what we had during the war, namely, a system of radio and television, or broadcasting media licences. May I ask the three of

you individually, whether you felt that this might service the personal desire and end that you are trying to achieve through your more formal association?

Mr. THOMAS: My understanding of the days of individual licences was that the CBC was still handling commercial information and getting commercial income from it. I may have misunderstood what you meant, but I do not want to imply that by reverting to licences we automatically redress the commercial dependency.

My other impression was that one of the agonizing re-appraisals, when we moved away from that position, was that the cost of collection was very nearly exceeded the income; there was a substantial collection cost involved. And when radio and television are spread to the degree that they are, what the cost of collection would be, I just do not know. I would certainly want to know how you control this and how you collect this within a reasonable percentage of the amount of revenue you get from it. The difficulty of the alternative proposal which was the tax on sets which was essentially what we did was that it was great during the initial extensions, of, for example, television; the CBC was in a beautiful position when suddenly the country caught the television fever and the initial purchase went on. My guess is that the revenue has fallen considerably from that source in these years where we are dealing only with the switch to colour television which, despite my friends in commercial life, I am not convinced will move all that fast, and set renewals, since that is the only time that income is forthcoming.

There is an educational value in licensing and to some extent we are trying to replace that experience of the contact between the collector and the man who is paying it, by creating the councils. To answer your question, yes, I think the CBC ought to be free of commercial revenue, but it does not mean that I think the CBC does not have a commercial purpose to serve. I think commercial information is a factor in the mass media. I think it is a function that has to be fulfilled, but I would rather see it chosen on another basis than financial means. I guess I am not really convinced. I guess I am just being a centralist at this stage of the game. I am really not convinced that the return to licensing is a practical consideration.

I have with me something Mr. Knowles gave me this afternoon. It is a very interesting proposal from the Carnegie Foundation, for an agency, for a new public television corporation in the United States which would unite the various individually financed educational television stations and provide a much firmer kind of service than they individually or in the context of their own network at the moment are able to provide. It is interesting that the Carnegie corporation recommends an excise tax on television sets which would start at 2 per cent and rise eventually to 5 per cent. Their consideration has lead them away from the notion of licence collecting. I have a considerable respect for the Carnegie corporation and the advice they get. It is not necessarily definitive and it is a different culture, but it is an interesting fact that they have presumably considered the fact of licences and decided against it. I guess that is really my answer individually unless my colleagues have something.

Mr. KNOWLES: I do not think I have very much to add to that except I think that to a great extent the licensing principle is an ineffective one. It is an unfair

technique. There has got to be a relationship between the desire to pay and a willingness to use the service available. I would think that the observation by this Committee, if it has not already done so, of the Dutch and some other principles of payment by the set operator for certain services would be worthy of attention as another means of income and revenue gathering.

I would like to make this additional point, personally I would hope that we would move towards a non-commercial public system in this country. In return for the diminution of the competition on the part of the commercial operators there could very well be a system of taxation of the agencies, of the stations, the networks that would garner additional revenue by virtue of the public agency giving up the right to recoup revenues in this way. It seems to me there are peculiar Canadian approaches to this problem arising out of our very unusual and different mixed commercial system that we should explore.

Mr. CURTIS: I would share both those views but what I wanted to ask was, were you really suggesting a licensing of all sets, or a licensing of those sets belonging to the people who want to watch the CBC?

Mr. FORRESTALL: I did not want to qualify your answer at all. Of course, what I was driving at was simply how, it was to be done. I do not feel that lonesome in this feeling, that indeed we have to, because of the sheer mechanics of transmission, look at some kind of a third alternative or a further alternative to get into the medium we are discussing. I did not want to qualify your answers at all. I just wanted to throw it out and learn your reactions and I am very grateful for them.

Mr. THOMAS: If I might add one thing, Mr. Chairman, I do think that until we get a law and the period of time necessary to make sure that all sets purchased are VHF-UHF, in fact, we are extracting a license fee from people for educational use of television which strikes me as being a kind of backward way of doing a national task which is to provide, in the interests of productivity and a variety of other things, the maximum educational resources. The cost of conversion of sets is, in fact, going to function like a tax on the use of those sets for educational purposes. This is what troubles us about the allocation of channels.

Mr. FORRESTALL: There was just one little qualification in your brief at page 5 in (a) of the third line, I would change the word "all" to some other one because you will have the children listening to aircraft flying overhead and anybody else that may be using this type of equipment. We say TV sets manufactured in Canada capable of receiving all signals whether VHF or UHF.

Mr. THOMAS: You are quite right, all applicable sets.

Mr. FORRESTALL: All applicable sets whether VHF or UHF.

Mr. THOMAS: I would think that the interest range with jets flying overhead, might be used up pretty quickly. You are quite right.

Mr. FORRESTALL: Yes, it certainly would with the stream and the pattern of traffic that we have at the present time. Police calls do not get up into that range I do not believe. I am grateful, and the hour is late. There were some other areas that I would have liked to pursue but some of the other members may have gone into them. I would like to thank you very much. You have shed some interesting new light on my concept of the work we are setting about to do.

The CHAIRMAN: Gentlemen, I think there is one area we have not touched on and that is the question of Canadian content regulations and I wondered if before you leave us you would like to make any comment on this question.

Mr. KNOWLES: Well, we did comment to the effect we felt that this kind of limitation is suitable only for want of something better, and there is an element of chance involved in whether or not you get good programming out of this kind of basis. It is essentially a nationalistically oriented device.

Mr. FORRESTALL: Are you for it or against it?

Mr. KNOWLES: We are obviously for the developing of Canadian programming of merit. I think there would be a question here of how you get meritorious worth-while Canadian programming. It seems to me that there is a plethora of game shows which are Canadian that are not necessarily as good as some highly desirable public affairs programs, for example, from Britain, Germany, the United States, and so on.

Mr. FORRESTALL: Would you go so far as to include the televising of events in the other places as well as broadcasting them.

Mr. KNOWLES: As well as radio?

Mr. FORRESTALL: Yes. Would that fall into your category of meritorious programming?

Mr. KNOWLES: No, I would say that if this is good television it would require a very intensive editorial board at work in some very discreet way. I think this would be a very difficult thing to develop. Again I think it is a question of how much time, what the cost is relative to the time that would be available for television selected portions of it. As a citizen I do not think I want to see television exploited as a means of creating prima donnas in the house. Radio has a certain purity of form which by presenting its entire proceedings would permit and enable the public to understand—but to get back to Mr. Stanbury's question, I would say we agree that the best is not being developed in Canadian programming. I do not think we could get at it in that way.

The CHAIRMAN: I think that is accepted by all of us. The real question is how you suggest this can be accomplished. I gather from the vagueness of your brief on this point that you are not sure. You are not suggesting that we do away with Canadian content regulations.

Mr. KNOWLES: Not yet.

The CHAIRMAN: But you indicate that maybe that really is not the best way to approach the problem.

Mr. CURTIS: Mr. Chairman, I think the Canadian content regulations serve some purpose but I think that it is a diminution of the quality of Canadian television to have something on for public view which is of low quality simply to fill in a space of time, to build up the station's Canadian content rating. I think that there are other means elaborated in the brief, particularly the increased amount of local programs, that by normal force of circumstance rate as Canadian content without some kind of arbitrary number put on it. I think we are sympathetic to the way it developed. It probably had to be done with an

arbitrary number, but we do not think the arbitrary number is necessarily that effective a means.

The CHAIRMAN: But I gather from Dr. Thomas' answer a few minutes ago that you support the continuation of some kind of regulation to accomplish this for the time being.

Mr. THOMAS: Yes, although we are more interested in the other things being done because we support the goal it aims at without being convinced that that means is the best way of going about it, or that automatic or mathematical coercion is really the way to do what the goal really intend, which is Canadian programming of a substantial quality. We would support it temporarily but are much more interested in the number of other things which we have recommended which we think will lead in that direction, in fact, without having to enforce an automatic rule of this kind.

The CHAIRMAN: Having said that, do you feel that the kind of Canadian content regulation that exists now is an adequate one in quantity and in nature? Is content the only thing that should be controlled or should there be some further control of the content during certain time periods? Should there be some control related to the income of a station, so that there is some qualitative requirement as well as quantitative? These are various suggestions which have come up in our Committee, and since you have not commented very much on this field, I thought you might answer that question.

Mr. KNOWLES: To be positive, it seems to me that it is possible to develop a set of qualitative criteria which could be in a very broad way used by the regulatory authority to determine whether or not stations or the CBC were living up to certain general principles and tendencies. I think the preoccupation with numbers, with quantities of programs, percentages and so on, would naturally tend the producers and the agencies to go towards—well what they have in fact done,—to be concerned with the simplest possible means to be able to say they have achieved program content, but if the regulations specifically refer to the development of dramatic shows, of musical stimulus and so on, and if these were in fact the kinds of areas that were queried at the time of licence renewal and so on, it seems to me that this would have a useful influence. Obviously, this is a very sophisticated question and the answer would have to be discussed in great detail, but it seems to me that it would be possible to create such criteria.

Mr. CURTIS: In addition to that, it seems to me that we simply must not get into the business of what is good Canadian content here because if one takes the view that it is neat and tidy to say what is produced in Canada, with certain exceptions, like the World Series, can be classified as Canadian content, you get into the position of how you want to look at it, I am not sure that that is true but I cite that as a possibility, or a rocket shot. This seems to be one way of looking at it. The other way of looking at it is that to me it would be a terribly negative point of view to suggest, with all the feelings there are in the country about American domination and one thing and another, that it is not useful for a great deal of American television sets be freely shown in a non-restricted way on Canadian stations with the full approval of the country. What is happening in France or Germany or England can be seen to be of vital concern

in some areas to Canadian citizens and a regulatory arrangement which minimizes the amount of outside informative material that we see, somehow diminishes our competence as Canadians, it seems to me. So I have a very, very ambivalent view.

The CHAIRMAN: I can see you have. We had suggestions from ACTRA, for instance, that the Canadian content regulations should be stiffened in several different ways and increased. I think that their objective is the same as yours. I am trying to find out whether you agree with their means of going about obtaining the objective but I gather you do not.

Mr. THOMAS: No. They obviously have other interests as well and those other interests are so much more easily measured which is that they can be measured in terms of the employment of Canadian actors. This is fair enough from ACTRA's point of view.

The CHAIRMAN: Is this a concern of yours as well, that Canadian broadcasting perform this function in Canada developing Canadian talent?

Mr. THOMAS: Yes, it is.

The CHAIRMAN: And would their suggestions be a useful way of doing this?

Mr. THOMAS: I am not convinced because I am not sure that one can safely say that game shows are a development of Canadian talent of a highly valuable nature. It may be that they provide the kind of employment that an actor needs in order to do some other things that are more important.

The CHAIRMAN: I think you have probably explained your position as far as you can on this subject. I gather that it is that you do not feel your objective can be achieved at least at the moment without some kind of regulation, but that we should be working to find some better and more flexible way.

Mr. THOMAS: That is right.

The CHAIRMAN: If there are no further questions, I would like to add my thanks to those which have been expressed by the members of the Committee to you gentlemen for coming here and giving us your advice. We will hope to see you again when we get into educational broadcasting more deeply. In the meanwhile, thank you again on behalf of the Committee.

Mr. THOMAS: I think we would like to do the same, for the chance to come and talk about things that concern us very much. We will look forward to the next time.

The CHAIRMAN: Thank you very much.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 40

THURSDAY, FEBRUARY 9, 1967

WHITE PAPER ON BROADCASTING (1966)

WITNESSES:

From the C.B.C. Board of Directors: Mr. J. Alphonse Ouimet, President; Dr. J. M. R. Beveridge; Mr. Maxwell Cohen; Miss M. P. Hyndman; Mr. David M. MacAulay; Mr. E. B. Osler; Dr. Stephanie Potoski; Mr. J. G. Prentice; Dr. André Raynauld; and Dr. Léonard Roussel.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25692—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Basford,	Mr. Johnston,	Mr. Pelletier,
Mr. Béchard,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Brand,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Cowan,	Mr. Macquarrie,	Mr. Richard,
Mr. Fairweather,	Mr. Mather,	Mr. Sherman,
Mr. Forrestall,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, February 9, 1967.
(62)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.40 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Brand, Fairweather, Forrestall, Hymmen, MacDonald (*Prince*), McCleave, Munro, Pelletier, Prittie, Simard, Sherman, Stanbury—(12).

In attendance: *From the C.B.C. Board of Directors*: Mr. J. Alphonse Ouimet, President, Ottawa; Dr. J. M. R. Beveridge, Wolfville, N.S.; Mr. Maxwell Cohen, Montreal, Quebec; Miss M. P. Hyndman, Toronto. Ontario; Mr. David M. MacAulay, Sackville, N.B.; Mr. E. B. Osler, Winnipeg, Manitoba; Dr. Stephanie Potoski, Yorkton, Saskatchewan; Mr. J. G. Prentice, Vancouver, B.C.; Dr. Andre Raynauld, Montreal, Quebec; Dr. Léonard Roussel, Ottawa.

The Committee resumed consideration of the White Paper of Broadcasting (1966).

The Chairman called Mr. Ouimet, who after introducing the Board of Directors of the C.B.C., made a statement summarizing his previous testimony relating to extension of coverage, commercial policy, overall structure and educational T.V.

The members of the C.B.C. Board of Directors were then examined on the Board's functions and responsibilities, and supplied information concerning finance, programming, regional public meetings, commercial policy, the structure of broadcasting and delegation of authority.

Agreed,—That the Evidence adduced at the meeting of Tuesday afternoon, February 7, be incorporated as part of the official record.

Agreed,—That the biographies of the members of the C.B.C. Board of Directors, previously distributed to each member, be printed as an Appendix to this day's Minutes of Proceedings and Evidence. (*See Appendix 17*).

The examination of the members of the C.B.C. Board of Directors being concluded, the Chairman thanked them for appearing before the Committee.

At 1.00 p.m. the Committee adjourned until 9.30 a.m. on Tuesday, February 14.

M. Slack,
Clerk of the Committee.

25692—1½

MINUTES OF PROCEEDINGS

EVIDENCE

(Recorded by Electronic Apparatus)

THURSDAY, February 9, 1967

The CHAIRMAN: The meeting will now come to order.

I am informed that this morning we are making some form of constitutional history in that this is the first time the full board of directors of any crown corporation has appeared before a Parliamentary committee. I am not sure whether, after this morning, it will ever be repeated, but I welcome to the Committee the directors of the Canadian Broadcasting Corporation. I will call on the president, Mr. J. A. Ouimet, to introduce his fellow directors.

Mr. J. ALPHONSE OUIMET (*President, Canadian Broadcasting Corporation*): Mr. Chairman and gentlemen, standing on my immediate right is Mr. John Prentice of Vancouver who is the chairman of our finance committee; on his right is Mr. E. B. Osler of Winnipeg who is the chairman of our program committee; then Mr. David MacAulay, of Sackville; Dr. Stephanie Potoski of Yorkton; Dean Maxwell Cohen of Montreal; Miss Hyndman of Toronto; Dr. James Beveridge of Wolfville; Dr. André Raynauld of Montreal and Dr. Léonard Roussel of Ottawa.

With your permission, Mr. Chairman, I would like to say how much all of us appreciate the opportunity of appearing before you. This is a privilege I have had a number of times but this is a new privilege for my colleagues. I would like to stress that our collective presence here this morning underlines our collective responsibility as trustees of the national broadcasting service. I think it underlines, also, the collective process by which we reach decisions. I had occasion at a number of previous meetings to stress that at all times the comments which I made in answer to questions were an expression, to the best of my ability, of the views of the board as a whole. This is particularly true of the official document we tabled early in the proceedings of the Committee which is a blue covered document called, "Comments by the Canadian Broadcasting Corporation on the White Paper on Broadcasting". As a basis for proceeding this morning, I might take about 30 seconds just to resumé the four points that we have tried over the last few weeks to put before you.

First, on coverage we say that we agree completely on the need to extend coverage as quickly as possible to outlying areas not already covered, but we also stress the need for the Corporation gradually to establish the stations it needs for its own distribution instead of depending on affiliates.

On the question of commercial policy, we stress the need to reduce the commercial exigencies to a level which would be compatible with our primary program objectives.

On the overall structure, we have stressed the impracticality of dividing the responsibilities for the CBC's national program service between two boards.

On educational television, which we have not discussed yet, we have stressed the undesirability of setting up a second public service broadcasting agency when there is already one that can do the job quickly, cheaply and rapidly.

On all of these important questions of principle, the whole board agrees entirely with everything that I have mentioned. On the other hand, the consensus on this does not mean that we are always in agreement on everything and this is particularly true in the field of programming. If we were always in agreement there would certainly be something wrong with the board. We believe that collectively we represent fairly well the regions of the country; the two cultures and also the minority groups, but we also represent many professional disciplines and different personal temperaments, so, on many questions there is a great diversity of opinion and I hope this diversity of opinion will come out this morning. I think it would be a healthy thing if it could come out because then it would be an illustration of what happens at board meetings.

Now, to keep the record straight, I think it would be wise for us to indicate to you when we are expressing a personal opinion and when we are conveying something that has already been discussed by the board and a decision reached on it. As I have had the privilege of appearing before you very often, and as I am sure you have heard me long enough and also too often, I propose to take rather a relaxed approach to the proceedings this morning. I intend to come in only if there is some formal expression of board policy that is necessary and I hope to be able to leave the microphone to my colleagues for this occasion.

The CHAIRMAN: Thank you, Mr. Ouimet, Mr. Prittie?

Mr. PRITTIE: Mr. Chairman, Mr. McCleave tells me he has to be at another committee meeting at 10 o'clock. He has one question so I will defer to him for that question.

Mr. MCCLEAVE: Thank you very much, Mr. Prittie and Mr. Chairman. I think Mr. Ouimet was being polite. It is not that we have heard too much from him; perhaps he has heard too much from us.

Actually I have two short questions which I want to direct to Mr. Osler. Is not Mr. Osler the chairman of the finance committee?

Mr. OUIMET: The program committee. Mr. Prentice is chairman of the finance committee.

Mr. MCCLEAVE: Then my question is to Mr. Prentice. Mr. Prentice, there has been a suggestion of long term grants by Parliament to the CBC so that it does not become a matter of parliamentary approval each year for CBC spending. My question is, what period or term do you personally, or as a member of the board, favour?

Mr. J. G. PRENTICE (*Vancouver, Chairman, Finance Committee, CBC*): I would say five years.

Mr. MCCLEAVE: And this is board policy itself? All your colleagues agree with the five year suggestion?

Mr. PRENTICE: Yes, sir.

Mr. McCLEAVE: The other question is that there has been a suggestion in the Committee by some witnesses that the CBC should try to recapture some of its spending on serial programs by sales to other countries. Have you noted that suggestion, Mr. Prentice?

Mr. PRENTICE: Yes, we have. We are informed that this is not easy, but I know it has the attention of our sales people.

Mr. McCLEAVE: So this will be pressed forward in the board meetings?

Mr. PRENTICE: Yes, sir.

Mr. McCLEAVE: That is fine.

Mr. PRENTICE: May I make a short remark? You spoke of grants, and grants are really what we would prefer to what is being envisaged as loans. We are worried for capital; we are worried on the capital items that as years go by the financial load, which is then translated into the operational budget, will be increasingly great and will make the corporation look worse and worse. We think because there is no hope that we can repay loans from our income except from government sources that it is not too good a way of arranging things.

Mr. McCLEAVE: So your suggestion is—and this has been presented very vigourously by Mr. Ouimet in the past—that there be one payment and there be no separate ledger entries set up for so-called capital loans which, in any event, are never repaid.

Mr. PRENTICE: This is right. We still could keep straight on the financial course by setting up an equity account and having the depreciation, as is usually done in commercial enterprises. One could keep right on the course but the operational budget would not be inflated.

Mr. McCLEAVE: Thank you very much, Mr. Prentice, Mr. Chairman and Mr. Prittie.

Mr. PRITTIE: I would like to direct a couple of questions to Mr. Ouimet and then others to members of the board. You have introduced the chairmen of two committees. Are there just the two committees, program and finance?

Mr. OUIMET: Actually, there are more committees than this. There is an executive committee of which I am the chairman. There is also a consultative committee with the BBG, about which you heard when Dr. Stewart was here, and the representatives of the board on this committee are Dr. Raynauld and myself. There is also a pension board which is really not a committee of the board but a committee which represents both the board and the employees. Mr. MacAulay is the chairman of this committee.

Mr. PRITTIE: Who are the members of the executive committee?

Mr. OUIMET: The members of the executive committee are the president and the vice-president ex officio, and the chairmen of the finance and the program committees, whoever they may be at the time, and another member who is appointed from year to year. At the moment he is Dr. Raynauld.

Mr. PRITTIE: Thank you. Are the minutes of the meetings of the board internal private documents, or are they public documents?

Mr. OUIMET: They are private documents.

Mr. PRITTIE: I would like to know what a typical agenda of the board would be without your revealing matters of personnel or anything like that. Could you give me an idea of some of the subjects you would discuss at a board meeting?

Mr. OUIMET: Yes, very easily, because after years of experience with the meetings of the board, we have come to a sort of typical agenda to which we add special items which may be of particular interest at that particular time. At every board meeting, of course we will start with the review and approval of the minutes of the previous meeting; the fixing of the date of the next meeting; a report from the president on any of the important developments that may have taken place in the interval between board meetings. We have items that come at every meeting—a report from the finance committee. There is not a report from the program committee now; there used to be one. The reason is that the program committee is composed of all members of the board and it sits the day before the board meeting under the chairmanship of Mr. Osler. So, therefore, everybody knows exactly what has happened, but if there is a formal recommendation to be passed by the whole board, then we deal with it at the board meeting rather than at the program committee meeting.

Similarly, there is a report on the progress of engineering projects; a report on planning; a report on personnel and industrial relations; a report on all questions concerning our relations with higher authorities, whether they concern a parliamentary committee or a decision of Parliament or the BBG. There are many special reports that will come up on specific items; for example, when the budget comes up for consideration, either the yearly budget or a review of the budget during the year; the same thing for the annual report or, if we have a special program controversy, for example, it will come up as a special item. There may be quite a number of special items at each board meeting, but there is always the systematic review of the whole field of corporation activities, divided as I previously explained.

The CHAIRMAN: Mr. Prittie, may I just interrupt for a moment. There is a matter of business that should be disposed of before we proceed with the questioning.

The evidence adduced at the meeting of Tuesday afternoon, February 7, should be incorporated as part of the official record of the Committee. Is this agreed?

Some hon. MEMBERS: Agreed.

Mr. PRITTIE: I would like to ask some—I shall say—lay members of the board at random some questions. Dr. Beveridge, have you suggested items for the agenda from time to time? Do you write to the president and do this?

Dr. J. M. R. BEVERIDGE (*Wolfville, N.S.*): Yes, I have; as a matter of fact, only as recently as this meeting. This had to do with a review of a program that was presented recently and I think, in essence, what I wanted to know was who was responsible for the research that had gone into the program because I, and a good many other people in the field that was covered, felt that an inadequate job had been done. This matter is yet to come up at the meeting, but it will be covered.

Mr. PRITTIE: So, it would be generally true that any member of the board who wants items discussed at the up-coming meetings would get in touch with the president and say he wants such an item put on the agenda.

Mr. OUIMET: This is true and, more generally, the members know that if it is something which does not require preparation by management for the meeting there will be an opportunity, in the discussion of the programming generally for both networks, to ask questions; we will have our staff present—the people responsible for the various sectors of operation—who will be there to answer any questions that anyone may have. Usually when the president is advised ahead of time, it is because there is need for preparations for discussion.

Mr. PRITTIE: Looking over the biographies of the board members which were supplied to us I calculated that of the members, other than Mr. Ouimet—nine I believe—one was appointed in 1963; three in 1964; two in 1965 and three in 1966. Is it customary to renew appointments? I see they are three-year appointments, generally. This is a question of fact; I simply do not know it. Is it customary to renew appointments?

Mr. OUIMET: No; not necessarily, although many have been renewed in the past; but not necessarily.

Mr. PRITTIE: Then it would be true to say that the majority of the members of the board served for three years and occasionally some served for six years. Is this correct?

Mr. OUIMET: No; I would not say that the majority of the board members have served for only three years. If I go way back in time there was a period—it would be in the early days of the CBC—when appointments, re-appointments and re-re-appointments were made. I believe—we have had cases of members who were on the board in the early days for as long as 18 years. But the law—the Broadcasting act of 1958—specifies that appointments cannot be for more than two terms. So, the limit is six years.

Mr. PRITTIE: Subject to whatever new legislation we have, the terms of a number of members of the board are up soon—three in 1967. So the Committee then may wish to make some recommendations to the government about the tenure and re-appointments. But it would seem to me from reading this that recently they have been three-year appointments in the majority of the cases.

Mr. OUIMET: Yes; Mr. MacAulay is the only one who is a re-appointee. He is in his first year. I do not think he has terminated the first year of his re-appointment.

Mr. MACCAULAY (*CBC Board of Directors, Sackville, New Brunswick*): It will terminate in July. This is the first year of my second three years.

Mr. MCCLEAVE: May I ask if these biographies could be printed as an appendix to our proceedings? Because of the wide distribution of the Committee reports, it might be helpful to have the background of the Canadians who are serving as directors.

The CHAIRMAN: If the Committee wishes, certainly they could be. Is that the wish of the Committee?

Some hon. MEMBERS: Agreed.

Mr. OUIMET: Mr. Chairman, may I take advantage of this question to stress a point, and that is the great importance of ensuring continuity in the board at a time of legislative change. I can say, without hesitation, that in 1958 when the legislation was changed and we were given a completely new board—entirely new and, at the same time, the BBG was entirely new because it was a new agency—it was a very difficult arrangement for the corporation because there was no continuity at the board level. Even in my own case I had never been a member of the board before and neither had the vice-president. I had been general manager; I knew about the corporation and I had attended board meetings, but you can imagine when you start with a brand new board with laymen and laywomen new to broadcasting that it takes quite a long time before you can establish a fund of knowledge as we have now. I would like to see at least a good part of this fund of knowledge kept in whatever legislative change may be taking place.

Mr. PRITTIE: I think your point is an important one, Mr. Chairman, to try to strike a balance between having members of the board who have learned something about the operation of the corporation and yet still have that change from time to time of new representative persons from different parts of the country coming into it.

The other day the Canadian Association for Adult Education appeared before us and they made the point that very few people knew who the members of the board of directors of the CBC were and they made the suggestion that it might be a good idea if the board met at different times in different parts of Canada. I want to pose that question; Mr. Ouimet does not have to be the one to answer it. I would also like to put another question: Has the board ever, at any time, considered holding public hearings in different parts in Canada to invite the public to come in and give their views on the programming policy of the board? I thought this was a useful suggestion from the Association for Adult Education; to make a direct link between the board and the public and to hear, at first hand, the public's views on programming. It does not matter who answers this.

Miss HYNDMAN (*CBC Board of Directors, Toronto, Ontario*): There is a reference, I believe, in the White Paper to regional advisory boards and it has been discussed in our board meetings that different methods might be used for the C.B.C. to consult, on a more formal basis than it is possible for the directors to do, with people in their region to ensure that there was an expression of opinion which was representative. We all get expressions of opinion, but how many people they represent is a different question.

Mr. PRITTIE: Let me put it this way: even with the present structure, would it not be a good idea for the board to hold meetings in Winnipeg or Calgary or Vancouver some time and allow a couple of extra days after you have gone through your regular agenda to invite the public—as the Royal Commission on Biculturism did—to come in. I say this because then I think the press would probably attend and the activities of the board would be better known. There may be some controversy here, but that might be good.

Mr. MACAULAY: We have met in various places across Canada, Mr. Prittie. We have met in Halifax—I think we have been in all the provinces now, perhaps, except Newfoundland.

Mr. OUIMET: We also met in Newfoundland. This was the year before Mr. MacAulay's appointment to the board.

Mr. MACAULAY: The board had considered the possibility of meeting where we could receive certain briefs or suggestions from the public in the various areas. I think one thing that concerned us—and perhaps you will agree with this—is that sometimes, when you do have an open meeting like that, how can we keep some of the crackpots out of it, because I think we probably get as many letters from crackpots as members of Parliament do, and you are probably very familiar with that.

Mr. PRITTIE: I could not identify any of my constituents as crackpots, of course, but—what was that Mr. Fairweather?

Mr. FAIRWEATHER: We might have a contest and it could be a good subject for a program.

Mr. MACAULAY: It would probably make a good one.

Mr. PRITTIE: Mr. Chairman, I understand Mr. MacAulay's fears about people with odd opinions, but I might point out that the Royal Commission on Bilingualism and Biculturism faced that problem and I think this would be a necessary risk. I think you would get a great deal of responsible opinion and if you did have persons with very extreme views, well, why not hear them as well? I do not think it would do any harm.

Mr. MACAULAY: We also thought that perhaps certain portions of the board could meet in certain regional areas where there are pecularities or things that they would like to have done that are not being done for various reasons. They might like to present their case to us. We try to represent Canada as a whole in the CBC and not any particular area. Granted, we have a direct interest in the areas we come from, but I do not think we should lose the over-all picture of broadcasting.

The CHAIRMAN: Mr. Prittie, I think Dr. Raynauld would like to comment.

(*Translation*)

Mr. RAYNAULD: May I speak French?

The CHAIRMAN: Yes.

Mr. RAYNAULD: I must say I entirely agree with the suggestion that we have meetings throughout the country; regional meetings and also, national meetings. This, in my opinion, is absolutely essential for a corporation such as the CBC. It is essential to keep in touch with the various organizations and agencies. It has often been pointed out—and I have remarked on this these past few years—that contact with associations which are engaged, let us say, in adult education or various other matters of that description—voluntary public agencies—have been a little neglected, because our time has been taken up so much with the actual problems of growth of broadcasting and with the CBC itself, especially since the coming of television. I remember that when I was completely outside the CBC, the organization I belonged to, a few years ago, was constantly in touch with the CBC. At the time, I was in the youth movements, for instance: we were consulted on the type of programmes that would be best adapted, that would be

most appropriate for the development and growth of the youth movements, and for their participation in the life of the community. These contacts seem to have lost their importance these last years. I think, these contacts should be renewed, but on a much broader scale; there should be public information meetings, presentations of briefs by organizations such as I have mentioned. This would most probably enable the CBC to come much closer to the preoccupations of such agencies and the citizens as a whole. There is no doubt in my mind but that these meetings should be held. I think that the CBC, has entertained certain fears: it was said earlier that there should be public contests. Well, there was a fear, perhaps, of holding public meetings such as that because of the fact that the BBG was already holding meetings of this type. Perhaps it was quite wise to wait a little before, establishing contacts such as these. But, I personally believe that it would be necessary to establish contacts of this type, in the future.

There is a final factor I would like to bring up. There is one drawback to this suggestion, if I may say so. The drawback is that people do not realize to what extent CBC directors, who, when all is said and done, have their own work to do, cannot give up too much of their time. We are very deeply involved in the activities of the CBC. We have to hold meetings, which are lengthy and relatively frequent. In addition to all this, if we want to do our work properly, we must read through reams of paper. In any large corporation such as the CBC, one has to read a great deal before being able to take a decision on any problem; administrative problems are complicated and one is obliged to prepare, to do one's homework and read reams of papers. Therefore, all suggestions that are aimed at setting up more meetings are well received but, however, we always try to minimize our activities as much as possible, because there is a great number of things that, directors, myself included, would like to do in much more detail, but each time the chairman reminds us, when we are holding a three day meeting that to achieve our objective, we should extend the period to four days. If we are going to have public information meetings, well, we will have to multiply the meetings. I think it is simply a question of adjustment. We must be in a position of adopting the good points of these suggestions, but we should not reach the point where the directors would be directors on a full time bsis with the CBC.

(*English*)

Mr. PRITTIE: I appreciate the problem that you are busy people and have other activities and that the Board meets in three days themselves, but I come back to this question of the public coming to Parliament all the time with their complaints about the operations of the corporation. I just have the feeling that if the public are to regard the Directors as the trustees for Parliament then they have to be more aware of the directors, and whatever the cost may be in personal time, it would be a good idea to make the effort.

Mr. E. B. OSLER (*CBC Board of Directors, Winnipeg*): Mr. Prittie, I think, I got most of what my colleague said and he covered many of the things I was hoping to say, but I think it is important that we find some device to sound the opinion of people in various parts of the country in more than an informal way. I tried to keep my ear close to the ground in Winnipeg and in the prairie region, both within the corporation itself—without overstepping the bounds of manage-

ment—and among the general public, but this is an impossible thing to gauge in any way. I think public meetings would be most useful and this is indeed what we are considering. At the moment we have it under consideration.

The difficulty, as Dr. Raynauld said, has been time. I feel, being optimistic by nature, that this may clear itself with the new legislation. I hope the CBC and all other broadcasting will be off on a new clean straight path which will allow us more time to do these sorts of things which, in my opinion and, I think, in the opinion of most of our colleagues are much more important in the long run than some of the things we have to do now.

Having been on this board for three years, it seems to me that almost from the moment that I came to the Board, I have had the feeling of a corporation that is slightly jarred, slightly off-balance—and kept slightly off-balance—and finding it very difficult to do the tremendous job that it does do. If you look at it in the long run, most of the things that have jarred it off-balance have been relatively unimportant—in one program, or one incident, or something like that—compared to the whole panorama of excellence and, if it is not excellence, in any case it is just very good work that is done. We hope that the crisis atmosphere will cease. The Fowler Committee is behind us; Seven Days trouble is behind us; this committee will be behind us; there will be fresh legislation. We hope that the corporation will then be in a position where the board members can spend their time doing the kind of thing that you are suggesting which, we would agree, is very necessary.

I think some form of regional machinery by which, perhaps, a section of the board of directors plus the regional manager, or somebody like that, have regular sittings in their area, so that they can sound out public opinion, bring it to the Board and have the whole group consider it, would be most helful.

The CHAIRMAN: I think Dr. Cohen wanted to comment this too on.

Dean Maxwell COHEN (*CBC Board of Directors, Montreal, Quebec*): Mr. Chairman, with Miss Hyndman and Dr. Roussel, I am a baby member of this board, so I can speak unihibited by too much knowledge, but I am very glad to have this opportunity to make constitutional history as you suggested. I want to make one or two comments that derive from this, because I think it is worth exploring very briefly what it is that Parliament and the people can expect from a board of a corporation of this kind. What is the board? Looking at it with a fresh eye, the word "trustee" has been used and, no doubt, one thinks of two types of private analogies. One thinks of the board of a private corporation with quasi policy and managerial functions; one thinks of something in the charitable-educational field, where boards namely have direct managerial functions, but usually have advisory functions. And here we are in a very special kind of crown corporation, and what is our function?

The act of Parliament itself did not really spell out with any great care the kind of things it expects the board to do, but I think the president has made it perfectly clear from time to time that the Board tries to act as a sounding board for the whole of Canadian opinion. It tries to act as a source of guidelines for the internal policy development of the corporation, and you then have the very difficult question: what is a board member? Is a board member merely a mirror for the collective decision of the board, or does he retain some area of private

independence and judgment making? Can you reconcile the privacy of the obligations of your oath to the privacy of the Board; to a collective responsibility of the Board? How do you reconcile that with the reserve of authority you must have as a man of conscience with your own judgment, and there have been a number of incidents in the past year and a half, I am sure, which have sorely tried the sense of private judgment and the sense of corporate judgment. How you reconcile the two and behave like a responsible board member in the sense of your responsibility to your oath of privacy at the same time as you behave as a man of conscience trying to do his public duty, retaining an area of independence as best he can?

I think members of this Committee should try to understand the very great difficulties the Board faces—not in that collective anonymous sense, but the individual human being of the Board—in reconciling this double image of himself, the image of corporate membership and the image of individual judgment, particularly on great and controversial issues. Speaking for myself, I have tried to draw that balance. It is not a balance one can talk about in public, because part of the struggle for the discovery of that balance takes place in private and, it seems to me, must take place in private. Nevertheless, speaking with as much candor as one can in this Committee, I think it is important to recognize that all of us—certainly taking myself alone—try to retain the elements of a private judgment so far as it may be possible, and to reconcile these with the needs of a corporate decision-making process at the board level.

If one comes down to the question Mr. Prittie just asked, "how would this affect our relations with the public if the board wishes to have a more intimate relation", I must say there is a large amount of imagination to be used in increasing the contact between both the board as a corporate entity and, perhaps, individual board members and their own regions. I have heard it suggested that board members in regions should, perhaps, take one step further than my colleague, Mr. Osler, and meet with people in their own region and discuss the problems of the corporation. This might be an extremely interesting way of co-ordinating public opinion and bringing it back to the board meeting; decentralizing this contact, as it were, at the board level with the community, and I have no doubt one could explore and deepen this particular type of procedure.

Another implication of Mr. Prittie's question, of course, is the way in which the Board perhaps might feed downward into the actual operation of the corporation its knowledge of what the public wants. This is more difficult; it would be, I think, a bad day for any corporation, whether private or public if, at the board level, men who are there part-time and in a trustee capacity reach down into the lower operational levels of staff; it would make unmanagable the very nature of this kind of activity. So one should not expect too much of a board in terms of the operational consequences; one can only hope that the board can do an honest job of coming to wise corporate decisions and, at the same time, that individual board members retain their own conscience and apply it wherever they can in a given situation.

There is a third dimension which might be explored more deeply; namely, the use of individual board members to have contact with their own region; to have the public focus on them, more or less, for purpose of communication back

to the corporation and the creation of a regional public opinion. So much on that. Perhaps with your permission, Mr. Chairman, later on I might have other comments to make on the Board's policies.

Mr. PRITTIE: Mr. Chairman, Dr. Cohen raised some interesting points and I am sure there are members who will want to pursue them.

The CHAIRMAN: Dr. Roussel, I think, would like to add something.

Mr. PRITTIE: I think some other members will want to pursue that and I do not want to monopolize the question. I will finish with one area though, Mr. Chairman. When we had the Director General of the BBC here last week, learning about their structure and reading their handbook, and so on, I noticed that there is a major difference between the CBC and the BBC, in that the chairman of the board of governors, unlike Mr. Ouimet, is a layman, not an officer of the corporation and a member of the board. I noticed that the chairman of the board of governors is paid £5,000 a year, plus expenses. I do not know what Sir Hugh Greene's salary is, but I imagine it is less. However—

Mr. OUIMET: No, it is considerably more!

Mr. PRITTIE: I mean more, I beg you pardon, I mean more. I noticed, too, that the vice-chairman and some of the other board members receive £2,000 year and some receive £1,000 a year, I believe this board just receives expenses. Is that right?

Mr. OUIMET: No, per diem. One hundred dollars a day for board and committee meetings.

Mr. PRITTIE: Mr. Ouimet did say to us, I think at our last meeting that the job of the president or chairman of the board—however you want to term the person—should be full-time. He referred to what Sir Hugh Greene said, that the present chairman of the BBC is in Broadcasting House almost every day and that it is pretty well a full time job. I am not putting it too precisely, but I think you can see what I am driving at—the question of whether the chairman of the board of directors of the CBC should be a full-time officer, as Mr. Ouimet is, or whether he should be a part-time person, but with an adequate remuneration to take into account the fact that he is giving a great deal of time to work.

Mr. OUIMET: Mr. Chairman, before my colleagues express their opinions on this, may I make a distinction which, perhaps, would make the answering easier? The board has already recommended—and also the White Paper—that there be greater delineation between the function of the chairmanship of the board—the president—and the other functions. I think probably it is on that basis you are asking your question, rather than on the present basis where the delineation is not so great. In other words, the future president would possibly be a little more remote from the day-to-day operations than I have had to be, and would that sort of a president be full-time or part-time?

Mr. PRITTIE: I think that is right Mr. Ouimet. You have worked up through the corporation for many years and have been intimately involved, and you know all the leading officers of the corporation. This is also part of the question:

Should the chairman of the board, whoever he is, be a person of that type, and I would be interested in any comment that the board members have.

Mr. PRENTICE: I think this answer is fairly easy. It should be a full-time job, especially when you think in terms of the subject which has just been discussed, that we might establish regional set-ups where the director and the regional men could meet. Recently we agreed on the board level that the president also should be part of this set-up. In other words, the concept would be that be would take more time to travel to take care of such local situations, so that he and the permanent staff of the region, or the head of the region and a group of directors, perhaps could hold hearings or communicate with interested groups of that type. Also, it seems to me that the corporation has, perhaps, neglected public communication to a degree that it would be most desirable for the top men to have more time for that, so I conclude that it ought to be a full-time job.

Mr. PRITTIE: I will pass Mr. Chairman.

Miss HYNDMAN: Mr. Chairman, I think a great deal would depend on the team of the general manager or president—whatever he is called—and the chairman of the board. With new legislation and with things in the present state of flux, it is almost impossible to visualize a part-time chairman. That may come in the future, but I would not think it would be feasible at the present time.

The CHAIRMAN: Mr. Fairweather, or did Dr. Roussel wish to comment at this point?

Dr. Leonard ROUSSEL (*Board of Directors, CBC*): I hope I will not be out of order.

The CHAIRMAN: Not at all.

Mr. ROUSSEL: I would like to go back on one point. I think Mr. Prittie was trying to make a point when he mentioned the regional councils. The White Paper recommends that the study should be made of the feasibility of these regional councils, and you seem to want to make the point that the board should take this initiative. In other words, instead of gathering information from below upwards, the board should travel as a committee and gather this information. I entirely agree. If not, eventually we may become involved in a very cumbersome organization with the regional councils and also there is the possibility that they may be used eventually as pressure groups. I strongly advocate that the board, as a sub-committee when it is larger, should travel in the manner of the B and B commission which is a very good method of doing so. I do not know whether I understood Dean Cohen's words correctly, that after we had gathered information from these regional councils we could not reach down and get involved in operations, but I would like to stress one point: after gathering this information, the board certainly would be in a position to reorient certain operations and review some policies, because that is our job.

Mr. OUIMET: Mr. Chairman, before you change to another subject there are a few points I have picked up and one is the discussion about the function of the board in getting closer to public opinion and related questions.

I should point out to you that we started to have difficulties in this area with the 1958 legislation, simply because the opportunities for public hearings we had prior to 1958 disappeared when the BBG was created. Before that, in normal dealings with broadcasting problems, different groups appeared before the CBC as a regulatory body. The second thing I should mention is that the regional councils we have been talking about have been suggested in the White Paper for the Board of Broadcast Governors, not for the CBC. Now, we were confusing the two a bit here.

The third thing is that this whole matter has been discussed, as my colleagues have mentioned to you, at the board level, but one thing that has not been mentioned is that in order to achieve this sort of periodical consultation in various regions a somewhat larger board is necessary, because it will have to be broken into groups in order to do the job frequently enough in each region. I have already mentioned to you that we need a somewhat larger board in any case, in order to represent adequately the regional and cultural aspects of the country. Therefore, this needs a somewhat larger board; something of the order of 15 instead of 11 and, definitely, a president-chairman who has more time than the present one to devote to these problems.

Mr. COHEN: May I just make a comment on this. I think it is important to say that part of the Fowler report which deals with a part-time czar, I thought, was the least persuasive part of that report. It does not really suggest the unification of the two boards for purposes of policy making, but suggests that a part-time person would be on top of it. This seems a total misreading of the nature of the dimension of the problem. When the president now tells us that he sees a need for a larger board and full-time president, this is speaking from the background of an immense range of experience.

Mr. OUIMET: Mr. Cohen, it was a suggestion for a full-time president.

Mr. COHEN: I am sorry; there is language in the Fowler report which does not make that clear.

Mr. OUIMET: There are a lot of facts that are not too clear in the Fowler report.

The CHAIRMAN: Is that not how the last czar came to his end—because he was a part-time czar? I do not mean of the CBC.

Mr. MACDONALD (*Prince*): Mr. Chairman, I would like to try to understand a bit more of the structure of the board at present. For instance, I just want to clarify again the way in which meetings are held. I gather it is the chairman who calls the meeting and sets the date. Is that right?

Mr. OUIMET: No. We are having a meeting this week and we will come to an item on the agenda this afternoon which is for the purpose of discussing the date and location of the next meeting. Therefore, generally speaking, all meetings are decided by the board itself. But if there were some kind of emergency, then I would probably phone the directors or advise them by wire of the advisability of a meeting and would get a consensus on it and we might do it in a number of ways. We might decide to get together for a special meeting or we might decide to have a meeting by telephone conference.

Mr. MACDONALD (*Prince*): What is the normal length of a meeting?

Mr. OUIMET: The normal length is three days when in Ottawa and four days when we meet in another location, because we then add a day to discuss the divisional or regional matters of the location we visit, in addition to all the corporate matters that take three days. It is usually preceded also by a finance committee meeting.

Mr. MACDONALD (*Prince*): How often are the meetings held?

Mr. OUIMET: Normally, six times a year, plus special meetings, either with everyone attending, or by phone, which may last 2½ or 3 hours if it is a phone conference. By the way, I should mention to you that these meetings by phone, which are possible today, tend to replace the frequent meetings of the executive committee.

The CHAIRMAN: You have not had any closed circuit television yet?

Mr. OUIMET: It is too expensive.

The CHAIRMAN: I am glad to hear there is something too expensive for the CBC.

Mr. OUIMET: I wish Mr. Cowan were here.

Mr. MACDONALD (*Prince*): You are usurping Mr. Cowan's prerogative in this.

Mr. MACAULAY: Mr. MacDonald, we do not get paid for those phone meetings, either.

Mr. MACDONALD (*Prince*): Apart from the directors that we have before us today, and I assume this is the total directorship of the CBC—

Mr. OUIMET: There is one vacancy.

Mr. MACDONALD (*Prince*)—what other executive officer normally attend, or have attended, the meetings?

Mr. OUIMET: At most meetings, most of the vice presidents of the corporation attend.

Mr. MACDONALD (*Prince*): How many would that be?

Mr. OUIMET: The three vice president general managers and the six staff vice presidents but, in addition to that, many others attend. For example, yesterday we had at least seven or eight executives of the French network division and at lunch we had two executives of the English network division; therefore, many others attend.

Mr. OSLER: In view of your remarks about the CBC—

Mr. OUIMET: Oh, not full-time.

Mr. OSLER: —finances, I would like to make it perfectly clear that what the president means is that we ask these individuals to attend as they are needed. You do not have a hope of having all the vice presidents sitting around with us. The vice presidents are asked in to deal with the things for which they are competent and then they leave. It is not a case of all the vice presidents being there holding their hats.

The CHAIRMAN: My remark was made with a degree of jest because of your public image which I am afraid, perhaps, you have, in the eyes of many of our constituents. Perhaps some of that can be dispelled to day.

Mr. COHEN: What do you mean by that, Mr. Chairman; what public image?

The CHAIRMAN: We often get letters claiming the CBC spends a great deal of public money.

Mr. COHEN: On what?

The CHAIRMAN: I do not think we want to get into the details of that this morning, unless you want to comment on it.

Mr. MACDONALD (*Prince*): I wonder if we cold come back to the questioning I started? I think Miss Hyndman had some comment related to the question I asked.

Miss HYNDMAN: I was going to say what Mr. Osler has already said—that they do not attend the meeting in the sense that they are there throughout. I have been impressed as a new member of the board, however, with the information which is available to us through them, and at practically every meeting—I think at every meeting—some phase of the corporation's business is given particular attention and the people responsible for that are the people who come before us. We ask them questions and sometimes we make suggestions for improvement, or ask them how they think certain phases of their work could be improved. It is an informal meeting with them, but certainly very useful and informative to members of the board.

Mr. BEVERIDGE: Mr. Chairman, I also would like to support the statement made by Miss Hyndman. Ever since I came on the board about two years ago, I have been very much impressed by the calibre of the personnel appearing before the board to speak to the various areas of their responsibility. I do not mean to imply that we agree with everything we hear, or the way in which things have been done, but I have been very much impressed with the calibre of the people appearing before us. This applies not only to the vice presidents, but also to the people who have been called in from the regions.

Mr. MACDONALD (*Prince*): One of the critical questions—and I know it has come up already and will likely be dealt with in different ways during this morning's discussion—is what the actual responsibilities of the board should be and I think, Dean Cohen, you talked a bit about this in your previous comments. I would be very interested to hear in quick succession what each of the directors conceive their responsibilities to be and also, perhaps even more important to this discussion this morning, what new responsibilities the board should have under the envisioned new broadcasting act, or what responsibilities you have at present which perhaps you should not have. I think this is critical to the implementation of the new act and certainly, if not dealt with too specifically, we have to have some fairly good guidelines laid down as to what responsibilities we might expect from the board of directors.

Mr. PRENTICE: Mr. Chairman, perhaps it would be useful to compare the function of the CBC board with a private board. I would say that involvement of the CBC board is very much greater than a board of directors of a private

company, and in my opinion it should be that way because we do feel we are trustees for Canada and we are trustees for an awful lot of money which is being spent. I think that we have administration and we feel that we are watchdogs and I believe—and I speak personally—that our authority and scope is just about right. We are interested in the program field in which we have responsibilities because, as a regional set-up, we are picked from various regions, I understand, to represent many tastes and diversities. Therefore, we have program questions on the one hand, administrative questions, on another and it makes well-rounded a challenging agenda for us. I would say it is about right just as it is.

The CHAIRMAN: Are there any other directors who would like to comment on this?

Mr. OSLER: I agree completely with my colleague's statement, but I would like to qualify it in a way that I think is very serious—and I am sure he agrees—and which the White Paper recommends, and that is there should be greater separation between management and the board than there is at present. There can be times when, if you have a government-appointed general manager who is also a member of your board, you are, in effect, helpless. You would be relatively helpless if you came to a real crunch, because there would be nothing you could do but censure the man. You would have no authority for hiring or firing, or anything like that. He would be a government appointee who would be appointed in a different term than you, and the situation could be bad. I think that section of the White Paper, where the general manager is answerable to the board, is very important.

The CHAIRMAN: Mr. MacAulay?

Mr. MACAULAY: Mr. MacDonald, the chairman should be answerable to the board and I think the responsibility—

Mr. MACDONALD (*Prince*): Did you say the chairman should be answerable to the board?

Mr. MACAULAY: I meant, general manager. I think the terms of reference dealing with responsibilities that we have now—although they are not clearly spelled out—perhaps evolved over time and certainly it would be helpful to the board if they were laid down and more clearly defined. I agree with Mr. Prentice that the set-up now is quite adequate, and personally I would hate to see more responsibility given to a board that is composed, in the greater part, of part-time members who have other responsibilities to their own professions or disciplines in which they are involved. I think I may say something for Dr. Potoski here, as far as money is concerned. When she comes to a board meeting it costs her money. She has to pay someone to run her practice. To add more responsibilities to board members and expect them to carry on with their own profession, I think, might be asking too much of them.

The CHAIRMAN: Dr. Potoski, would you like to comment?

Dr. STEPHANIE POTOSK (*Board of Directors, CBC*): As I envisage it, the CBC board should carry out the mandate of the CBC as laid down by Parliament, and see that the mandate and policies that are established are carried out. In a nutshell, that is what I think the board should be doing.

(*Translation*)

Mr. RAYNAULD: Mr. Chairman, I would like to stress one aspect, a specific aspect of this question of responsibility for the general policies of the CBC. And this aspect is as follows: it is a question of retaining at the level of the Board, relatively comprehensive responsibility, because what strikes me most of all, is the interdependence which exists between the administrative and financial aspects, and say, the programming aspect in particular. If, we endeavour to have various types of authorities, one dealing with programming, another one dealing with administration, a third for all kinds of good reasons, could interfere in various parts of the administration of the CBC, division of this type, will make the administration of the CBC extremely difficult. It is already difficult enough. Even if the CBC has a great deal of authority, I think that, as Mr. Prentice was saying earlier, there is at the present time, a certain balance that has been set up; even in this type of organization, we note that restrictions are severe and numerous and it is extremely difficult to change directions. That is because we are, so to speak, within an administrative type organization. What is the point of establishing very broad policies if we do not make sure that they are applicable on a positive basis, bearing in mind the available staff, restrictions that are imposed on us, for instance, financial limitations and administrative limitations. And, even inside the programming sector, itself, it is very difficult, concretely, to change responsibly what is being done at the present time by the CBC. Any additional division in the tasks and powers entrusted to a Board of Directors, such as this, would make the situation even more complicated. It has been noted for some time now, that there is a requirement for broader views in programming. It is noteworthy that for the past seven or eight years, programming has changed very little as regards, for instance, the composition of programmes. It is remarkable. It has been said: How is it that it has not evolued more than that.

Well, of course, neither the members of former Boards nor the Management of the CBC are entirely satisfied with the present type of programming. Of course, everyone wanted to do better than what is being done now. But, in spite of the constant intention to do this, in view of the experience of both former Boards and our own directors, I can honestly say that it is strange how very difficult it is to change substantially the present orientation of programmes. So, it is my opinion that it is difficult even at a time when this Board has relatively comprehensive responsibility for programming, finances and administration; it would be even more difficult if there were two or three bodies interfering in decision taking.

(*English*)

Mr. COHEN: I wonder if I could just follow Mr. Raynauld's remarks by indicating again my own very general philosophy of the board?

I think there are four main areas where the board must function. It must be product minded—after all, if the results of this great national system are not results which satisfy the highest standards of artistic, intellectual performance, the board has a responsibility for the end product. This really is the most serious thing it must stand for—the result in what is being produced. That does not mean it can be individually program oriented, as Professor Raynauld pointed

out; it can not be, with individual programs. It would be a gross impertinence on the part of the board to reach down to the producer level beyond the normal channels of communication, but equally it would be a gross dereliction of duty not to look at the totality and see what we are doing in terms of hours, money and in terms of response, and have a continuing on-going review activity. I would put that as the highest priority.

The second area of board activity is organization. I think the board has to be organization-minded. Is the structure of this great national corporation, now so large and complex and so important to the national life of Canada, an efficient mechanism? What can be done to improve? How does one review efficiency? How does one test efficiency? I think the board has a major responsibility here.

Thirdly, I think the board must be concerned with the very specific problems of financial development. This is ancillary to both program and to organization, but it has its own unique features. Mr. Prentice's very wise comments on long term policy here are the kind of things the board must take responsibility for. How do you plan without having a long-term plan structure in government policy itself.

And fourthly, there is an area where, perhaps, we are subtly present, but not expressedly there as much as we should be, and that is our relations with both community and government. It seems to me the board must be a major instrument for the transformation of problems of criticism into constructive corporation response, at the same time as it becomes a medium, perhaps, for communication back to the community and, through the president or through other agencies, back to government itself. Indeed, this particular meeting is an illustration of how the board might, in the future, function from time to time in relationship with government. I think, perhaps, nothing could be worse for the corporation than to regard the board as a rather anonymous mass of ciphers, working only in privacy or responding automatically to the staff will. You see this morning a lot of independently minded men; men who are devoting their time, their energies and their best thoughts to this very important system. I think the idea of the board as an instrument for dealing with government through proper channels is something which the corporation will have to develop in the future.

One last word on this: Mr. MacDonald's question really cannot be answered today, until one sees, in part, the grand design for the future of our broadcasting policy. In a way the nature of the future board and the quality of its membership will be, in part, related to the kind of corporation you envisage. One kind of activity will, perhaps, demand one kind of board and attract one kind of membership. Another kind of activity will demand another kind of board, another kind of membership and another kind of relationship between the board and the community and the board and the organization. To a large extent, therefore, this transitional period is a very, very difficult one within which to answer Mr. MacDonald's question.

Mr. ROUSSEL: I would like to pursue Mr. Raynauld's remarks a bit further, if I may and refer to the French expression "Bureau d'administration ou Conseil d'administration", which means "administer". I think this is just what it means and that we have the over-all responsibility for both broadcasting and the

administration of money. I would like to refer you to the White Paper on broadcasting, as far as the regulatory authority is concerned, where it says:

> However, the legislation will make it clear that the Corporation will be subject to the regulatory powers of the Board of Broadcast Governors in all matters affecting general broadcasting policy in Canada.

Further on, on page 16, in relation to the Board of Directors of the CBC it is said:

> This is true even though, under the new legislation, some broad areas of broadcasting policy which may now be within the competence of the Board of Directors of the Corporation will henceforth be subject to regulation by the Board of Broadcast Governors.

I might be jumping the gun on the questions of some of the hon. members, but I would like to stress that since we are discussing the responsibility and function of the board, we think our responsibility lies in programming and administration. There have been implication I think, which were dealt with by our capable chairman and also in our comments on the White Paper, that this is not feasible because I cannot see the board of directors of the CBC trying to function as a board and be dissociated from the responsibility of programming. I, for one, would be very anxious to have the hon. members clear this point as much as possible by questions while the members of the board of directors are here.

The CHAIRMAN: Dr. Roussel, I would like to be clear about this, too, and I am sure all members would, I do not recall any particular place in the White Paper where it says specifically that the Board of Broadcast Governors would have any supervision over the programming of the CBC.

Mr. ROUSSEL: No, it is not in the White Paper, Mr. Chairman, but there have been implications through the lay press and reviews and even, I think, sometimes from informal discussions, that some people would like to see the BBG have direct participation in programming instead of sitting and establishing broad policy. If I am wrong, I would like someone to correct me.

The CHAIRMAN: I may be mistaken, but I do not recall any group appearing before this Committee and suggesting that directly. I do not think there is anything in the White Paper which says that, but this is certainly an area we would want to try to clarify. But I think it should be clear, unless I am mistaken, that the White Paper does not suggest any control by the BBG over your programming.

Mr. ROUSSEL: If I gave this impression it is an incorrect one because I have it before me, and that was not my intention, but I said there were implications which do not come out of this White Paper. I may word my remarks otherwise: this board feels very strongly that it should retain the powers both for administration and programming, because I do not think you can dissociate the two.

The CHAIRMAN: In fact, it says specifically in the White Paper at the top of page 8:

> Matters affecting programming will not be subject to such directions.

Mr. PRITTIE: Further on, on page 8, Mr. Chairman, there could be some reason for doubt, I think.

The CHAIRMAN: I understand the necessity to clarify it but there seems to be no statement in the White Paper that programming of the CBC will be subject to control by the BBG.

Mr. ROUSSEL: I quite agree, but I would like to stress what I think is the conviction of the members—my colleagues—that it is our strong feeling that this should not be dissociated.

The CHAIRMAN: This has certainly been well and strongly stated by your chairman on several occasions here.

Mr. OSLER: Mr. Chairman, I think that the problem field is on page 16, item 14, where it specifically mentions the field of management and operational policy; then at the bottom of the paragraph it says that the board will be chosen mainly, but not exclusively, for their knowledge and experience of managerial, et cetera. So, management is stressed twice there.

The CHAIRMAN: That is a puzzling statement.

Mr. OSLER: We want to make sure it is understood that management simply cannot be done unless management is of the whole, within a broad area of regulation.

The CHAIRMAN: You want to be sure that where the White Paper says "management" it means all the kinds of management which are involved in running the CBC. Programming is a very important part of that, as Mr. Fowler suggested.

Mr. DAVID M. MACAULAY (*Sackville, N.B.*): The misunderstanding, Mr. Chairman, might also be in that paragraph 14 which reads:

> This is true even though, under the new legislation, some broad areas of broadcasting policy which may now be within the competence of the Board of Directors of the Corporation will henceforth be subject to regulation by the Board of Broadcast Governors.

But there is no statement as to whether—

The CHAIRMAN: On the other hand, on pages 8 and 9, under the paragraphs on "The Regulatory Authority" a number of those areas are outlined and programming is not one of them.

Miss HYNDMAN: Under the conditions of individual licences, too, there is the possibility of the establishment of program controls not within the purview later of the CBC board and, perhaps, even inconsistent with the mandate of the board.

Mr. COHEN: Mr. Chairman, you are now really at the gut question of the whole current debate on this issue, that is, just where shall ultimate responsibility for program policy lie? I would be very interested to know what the hon. members of this Committee think after days of hearings and after many weeks of opportunity of reading the White Paper and the private and public comments about it.

But, speaking again for myself only, it seems to me that this debate is a very important one. Mr. Osler puts his finger on the delemma for many of us; namely,

how do you, in fact, separate the managerial process from the end product which you are putting in the market place—the program? How do you? Or, to use the Fowler report's classic phrase, "How do you look after housekeeping mostly leaving the rest to whom" when a very large part of the rationale of the housekeeping is what is the product that is coming out of here.

At the same time, I do not think it should be thought for one moment that anyone like myself who sits on the board is not aware of the gravity of the problems with which the White Paper and the Fowler report try to grapple, notably the re-establishment of some kind of national co-ordinated view of where we are going in the face of the emergence of two systems, one a private sector system and one a public sector system. I have no doubt it is perfectly legitimate for government to ask itself: do we have to go along with what appeared to be this kind of relatively unco-ordinated private and public sector, or there is something better we can do about it? I have no doubt that in good faith the Fowler committee and the White Paper wrestled with this fundamental question of how to co-ordinate the private and the public sectors and re-establish something called national broadcasting policy which takes into account the total resources.

I think it is fair to say that if one looks at the comments the president put before you on behalf of the board, the board took the most liberal and flexible view of the White Paper and the Fowler recommendations, namely, that they are all for a great BBG that will take the widest structural and planning responsibility for the totality of broadcasting. It seems to me that no one can argue that the CBC has a dog-in-the-manger policy about its position. On the contrary, it is prepared to see a strengthened BBG that will take the widest structural view of the whole future of the physical needs of broadcasting in Canada.

To that extent, therefore, the White Paper and the Fowler report have generated, perhaps, a truly creative step in the emergence of a new national broadcasting concept, but what has been the measure of concern on the part of some of us is, what is the meaning of this when it comes to the day-to-day work of the corporation in evolving the kind of very difficult decision making at program level to which Dr. Raynauld referred? If it is that tough to have a sensible approach to a proper mix to satisfy your community at the board level of the CBC, it will be just that much tougher to have it at one step removed in another overall co-ordinating mechanism.

I may say that when I was an active member of the Canadian Broadcasting League that organization took the view—and I think it took the view before you, sir—that there should be this single co-ordinating body. I think the members of that board who put that view before you simply were unaware of the details of the implications of what they were arguing for. They did not realize they were asking for a shift in program mix policy determination—the research for it—to a board which now would not have a direct relationship to management that is involved in such a program mix.

I will just conclude my remarks by saying that we sat yesterday for a total of five or six hours with all the key members of the French network. Professor Raynauld led us into a major discussion of the program problems of the French network. The kinship between the managerial function here and the program determination function was so intimate that it would be highly artificial to

pretend that particular activity could have been divorced. So, without derogating one bit from the creative thought that went into the White Paper—one must give credit to those who played so major a role in trying to evolve a national broadcasting po'icy for 1967 and the future—one must go cautiously before one divorces the managerial function from the so-called program policy function.

The CHAIRMAN: Yes; I think, Dean Cohen, that in their presentation the League indicated that if there are to be two boards it is quite clear it would be unworkable to have both engaged in detailed review and decision making on CBC operations and programming. Mr. MacDonald, would you like to continue?

Mr. MACDONALD (*Prince*): I did not realize that one question was going to spark so much related discussion.

The CHAIRMAN: It was a very essential question.

Mr. MACDONALD (*Prince*): One of the things, I think, that is in the minds of those of us who are sitting on this side of the room is attempting to make some comparisons, because we were attracted to many of the features of the board of directors of the BBC when Sir Hugh Greene was here. It seems that one of the problems that would exist for us which does not exist for the BBC is that they are able, partly through geography and other reasons, to have meetings on a much more frequent basis—I think Sir Hugh said once a fortnight—whereas so far, at least, it is impossible for the CBC to have face-to-face meetings on an average of more than six times a year with other meetings, when necessary—emergency meetings—either by telephone or in person. There is a great deal of difference I think, between meeting on a regular basis of only once every two months compared with once every two weeks. I say all this because I think in the past one of the problems for the board of directors has been at least this has been my impression—the fact that you meet for two or three days once every couple of months but you have to wrestle even with day to day problems of such magnitude and involving questions which, perhaps, many feel may be difficult on which to make a judgment, and whether or not, then, the judgment still lies with, in this instance, the board of directors, or whether, indeed, it must lie with the senior management of the corporation who are exercising the day to day involvement in this.

Mr. ROUSSEL: I just wanted to c'arify one thing. The BBC allegedly meets once a fortnight. May I ask you if you know for how many days they meet? Is it just an ordinary meeting of, perhaps, a couple of hours?

Mr. OUIMET: I know the answer to this one. They never meet for more than one day and, very frequently, the meeting lasts half a day, with a lunch following, but no afternoon meeting. So, the total number of hours spent by the BBC in their fortnightly meetings is no greater than the total number of hours we spend, but they are lucky to be able to do it in smaller bits. In connection with this I may add that we have been considering the possibility, if we had a larger board—again coming back to the board of 15 members—of having two executive program committees of the board, one for the French language and one for the English language, but having on both some bilingual members of the other language, and to hold much more frequent meetings. I do not know whether we could meet once a fortnight but, I think, we could get it down, with

a large enough board, to monthly meetings. I think this would take care of the problem you are raising.

Miss HYNDMAN: Mr. Chairman, I would like to make one comment there. I am on the boards of a number of companies that meet regularly once a month and, perhaps, have meetings in between. They supply me with financial statements and other material, but never have I been associated with any organization where I have been supplied with so much day-to-day material and it is open to every member of the board to ask for another meeting if this material discloses a need for it. But certainly it would be desirable to have more frequent meetings with less intensity, because three days is a long stint to spend on one subject even though it has so many facets.

Mr. BEVERIDGE: I am sure, Mr. Chairman, that it has been impressed upon the members of this parliamentary Committee that there are circumstances of geography and of language that present the CBC and, of course, the BBG with problems—I was going to say that do not obtain in any other country, but that would not be quite correct. But when you consider that we are attempting to supply the needs for television, radio, AM and FM of our two founding races throughout the entire country, this is a job of really tremendous magnitude.

Again, with regard to the need for more frequent meetings, it seems to me that the board ought to be concerned, primarily, with matters of policy and surely if the management personnel have been properly chosen, we can depend on these peronnel to fulfill the policy decisions made by the board. I should think that the form of meeting that we now have of two or three days duration, plus the telephone meetings that have been held from time to time ought to be sufficient, especially viewed in the light of all the other responsibilities the members of the board have to fulfill the functions of the board.

Mr. COHEN: I could not help but think as I was hearing these comments that nothing has been said about the context in which part of this very important discussion is taking place. That historical context, Mr. Chairman, is that the nature of the CBC's life has been irreversibly altered by the nature of the structure of broadcasting in the last 15 years in Canada. The president has pointed out, and other writers have pointed out, that whereas 20 years ago the CBC was unique and alone, the private sector now has come to occupy a very large part of the broadcasting time and life of the average consumer in Canada.

But, having said that, it means that we must not weaken in any way our devotion to the national system. On the contrary, I think even the most constructive supporters of the private sector do not want to see the public sector weakened, because the private sector has no intention of doing what the public sector must always do, namely, carry the great burden of public discussion and artistic experimentation, and all those things that make for the kind of programmatic consumption which private radio or private TV simply cannot and often will not do.

I think one must see it historically that the CBC is no longer alone in the field. A co-ordinating mechanism like the BBG with enlarged powers now has a rationale which, perhaps, could not have been seen when Fowler number one report came out in 1957-58. Today one can see a rationale for a physical co-ordinating mechanism, but if one really wants to maintain the integrity of

the public sector with a high degree of independence of experimental point of view and spontaneity of doing those things which the private sector cannot, or will not, or is unable to do, it is the integrity of the CBC that must, in all of this, also be maintained.

This really means—if I may address a word to my friends on the Committee, some of whom I know well, personally—that I think the time has come for Parliament to ask itself whether the CBC really is not too often inquired into; whether it is not really too often under surveillance to be healthy; whether there not really a too frequent attempt, unconsciously or consciously, to vent national spleens on too few institutions, one of which is the CBC? The CBC today, instead of being the vital instrument it has always been in the past, finds itself—and I see this as a member of the board—often on the defensive. The CBC is vulnerable when it should be vigorous and vulnerability is often an index to the excessive preoccupation of the country and of Parliament with its activities. I think the time has come to give the CBC a decent chance, once the new legislation is passed, constructively to get on with its business and to feel that Parliament is fundamentally its ally, not its critic.

The CHAIRMAN: I think few people could be more conscious of that than the members of this Committee, Dean Cohen.

Mr. FAIRWEATHER: I think this has been a very helpful intervention but I do not think the defenders of the integrity of the public sector lie only on the board of the CBC. I look on that as part of my mandate and I feel strongly that I would like to get out of the business of checking or subjecting the CBC to investigation, too, but for good or ill, we have obligation. I hope the decade could go by, as the BBC mentioned; they have not had an investigation for ten years or so. But we have had one or two incidents lately that it seemed to some of us that this integrity could be affected. I felt—speaking for myself—that on the Seven Days matter, we were defending the integrity of the public sector of broadcasting. I am a defender, and I always will be, of this aspect of public broadcasting for some of the reasons you mentioned, Dean Cohen; we have to go to bat.

Mr. COHEN: I know, where you stand, Mr. Fairweather.

Mr. OSLER: Mr. Chairman, perhaps this sounds as if it is a little bit away from the subject of organization, which is where my thought began, but I think it dovetails with the thoughts of both you gentlemen. As chairman of the program committee, I would like to bring up another subject we have not discussed and which, I think, dovetails into organization and into responsibility. I think you are probably aware, but just to make sure that you are, I would like to say that it is very difficult for the CBC to do its job properly without knowing where it is going on a long term financial basis, both as to capital and to operations.

For instance, as chairman of the program committee, I would like to comment on what Dr. Raynauld said about there having been very little variation in programming. This is true over a period of years, but within the general headings that we might consider and say, 30 per cent drama, 59 per cent drama and 30 per cent news and public affairs, and this sort of thing, if you look within there you will find an insidious trend, under the general heading of drama, for instance, to put on more and more commercial films at approximately $6,000 to

$8,000 an hour. We do this because it is cheap; it is the only way we can buy them and, secondly, because of advertising acceptability. But I think we are proving more and more that we can produce things that will have advertising acceptability if we need them, such as the Wojecks and this sort of thing which is, believe me, a long term planned trend that the Toronto production people have been working on for some time; it did not happen over night. The balance between our advertising needs and our programming needs is a very fine one that must be clearly thought out over a period of years. We submit that our advertising needs should always be secondary to our programming needs, because our function is to program for the country and if we are impeded in this because of advertising it is very difficult—we are locked into a situation where we can only change the periphery of things. We look to guidance from you gentlemen for a very clear-cut idea of what is required in the way of commercial revenue and we hope to have a clear understanding that the more commercial revenue, the less likelihood that your national system is going to be able to function properly.

Mr. MACDONALD (*Prince*): Mr. Chairman, I do not dare ask any more questions because they both seem to have sparked a lot of discussion, but I would like to comment just briefly.

First of all, on Dean Cohen's statement, I certainly agree with the thrust of his statement in terms of getting the controversial discussions of the CBC out of the parliamentary focus so often, but I think in raising that question he points to one of the problems that faces us today. It becomes very apparent to me when I talk about the CBC to people who approach me as their representative. When I suggest to them that they should write the CBC or contact them direct something breaks down. They feel that they somehow cannot get at or directly approach the CBC, which I believe would be in the area of the directors.

One of the things that became clear to us when we had the Director General of the BBC here was that there seemed, at least, to be a much greater responsibility on the part of the board there for what was happening with the BBC than is the situation in Canada where people have the idea now that the only place real reaction can be exerted to effect is within the parliamentary forum, rather than within the board of directors. I think this is critical.

Mr. OSLER: That is very true. Mr. Chairman, this is, perhaps, in great part, our fault. I submit it is partially the fault of Parliament as an institution and the Committee as an institution because, as I said originally, I have had the feeling for the two and a half years I have been on the board that we are knocked slightly off the base the whole time. Where there is smoke there is fire; you are only going to be knocked off base if somebody thinks you should be knocked off base. But on the other hand, in fairness to the management and the board, if you are running along behind the fact the whole time, trying to do Fowler report work, trying to do Committee work and this sort of thing, it is very difficult to get out among the public which we certainly intend to do, and which we said we would do if and when the day of new legislation arrives and everything is all set.

Mr. MACDONALD (*Prince*): If I could just make one comment on your remarks about the long term financing, I think there is a strong consensus building within the members of this Committee towards the establishment of

long-term financing. But related to that—and I do not think it has been expressed forcibly enough in the Committee yet—is the concern that many have with what we would call, "long term purpose in program". I think the public has a right to know, for instance, in what direction the CBC is goind and the things you mentioned—the fact that, particularly in television over the last few years, there has been the necessity for dependence on the kind of slick commercially produced drama that often was not Canadian.

Mr. OSLER: Some of this is very good and we would like to use it. I am not downgrading it, but we want to have the choice of using it.

Mr. MACDONALD (*Prince*): That is right. There was very little flexibility in terms of whether or not it would be used and it was exposed during prime time. I think that related to the necessity of having long-term financing some long-term programming policy and purpose must be spelled out so that the people do know, in effect, that when Parliament says: for five years this will be the allocation, they are not just buying, if you like, a pig in a poke. Legislation in a broadcasting act is never specific, I think, in the kind of thing the Canadian people have a right to know in terms of making that kind of allocation.

Mr. OSLER: You say, long-term programming commitments. I understand what you are saying, but I suggest you get into an area where there may be a dilemma when you do this, because neither you nor the corporation want direction in the form that could in any way be construed as interference or censorship.

Mr. MACDONALD (*Prince*): Not in detail.

Mr. OSLER: This is where the area becomes difficult, but I am sure that if we are guaranteed a certain amount of operating money we can very easily tell you the areas in which we feel we can work.

Mr. PRENTICE: I would like to say that we have worked out what we term long-term program objectives. I believe we have submitted them.

Mr. OUIMET: Yes, I would like to give you some more information on this. One of the problems, of course, of formulating long-term program objectives is that you really cannot make them public unless you know you have a long-term financing plan that will make them possible. In other words, you can say, "we would like to make things more Canadian". You can say, "we would like to", but you can never say, "we will", simply because there is no long-term financial basis on which to place our programming planning. But nevertheless we have developed, and are still developing, long-term program objectives. For example, at the time of the Fowler committee we presented the committee with long-term program objectives, including the cost of achieving them as I told you, I think the last time. The Committee approved the objectives but did not approve the financing and so we are back where we started. But we have these objectives. This planning is being done all the time but we can only do a bit at a time and cannot announce it. It is no use, for example, announcing that five years from now we would like to be able to do, let us say, more for music in Canada—we have done a great deal for music—unless we know we will be able to pay for this effort. This is the problem at the moment. There is no lack of planning in terms of programming; there is a great deal of planning.

Mr. COHEN: I suggest two built-in limitations that perhaps all the members ought to bear in mind on the creative expectancy with which the public can view the CBC. Built-in limitation number one is the expectation that we will stay in the commercial revenue field up to a certain amount. That already immobilizes you to a certain degree. If a proportion of your prime time is allocated, then you have this built-in limitation and one has to accept it as the administrative and political programmatic fact.

The second built-in limitation is what may be called the danger point below which your audience must never fall if you are to have a viable audience and system at all. The classic illustration of that, of course, is the story of the British Third Program which began with something like seven or eight per cent of an audience, declined to four per cent and eventually down to one per cent, and finally disappeared because it simply was no longer a viable audience. What one has to accept, it seems to me, is the notion that the most elaborate expectations on an artistic and intellectual level for the CBC—though the public has the right to expect the best, and that we will do things the private sector cannot or will not and should not do—are limited by the point beyond which the organization cannot be indifferent to the size of the basic audience. There always must be a basic audience there and, therefore, there must be a sufficient mix of the programs which assures that basic audience, given the average level of taste and consumption of entertainment in a country such as our own. With those two built-in limitations, I suppose, planners have to work out the best solution they can.

Mr. BRAND: Mr. Chairman, I have a very few questions and some of them have been answered in the last few minutes. I would like to say at the outset that I am beginning to understand the extreme difficulties under which the president has been labouring in the past few years.

The CHAIRMAN: Would the witnesses like to ask Dr. Brand some questions?

Mr. BRAND: Well, Dean Cohen wondered what we were thinking and I thought I would tell him.

As far as what the mandate of the board is or what the CBC board shou'd do, I think we have heard enough variety of opinion to indicate quite clearly to most of us that there is a lack of direction as to what the board should be doing. I do not think these questions have satisfactorily been answered in this Committee today and I would like to ask a very few questions. I have heard a couple of opinions on this already and perhaps there are more: Who should lay down the policy for broadcasting as far as the CBC is concerned?

Mr. OUIMET: May I start with this one, Mr. Chairman? We must start with the definition of policy here. The broad policy, for example—the role of the CBC, the mandate of the CBC, the structure within which it is going to work—is, of course, up to Parliament. You can make this delegation more or less, but whatever is delegated from Parliament our position is that it shou'd be delegated to the CBC directors. This still leaves a certain area of very general regulations which apply to all broadcasting that might have to be administered by a regulatory body. Now, whether you call this policy or not is again a matter of definition, but generally speaking, in terms of what the CBC does—the standards of quality of its programming, the mixture of its schedules—this is something that must be, I think, delegated to the board of directors within whatever

framework and detail Parliament wants to set out in legislation, a White Paper, or any instrument Parliament may have.

Mr. BRAND: Do you think the CBC board should then be overseen by a regulatory body which would be the arm of government, or do you think it should come direct from government as it does for the CBC, for example?

Mr. OUIMET: Direct from Parliament and not from the BBG.

Mr. BRAND: Without another body in between?

Mr. OUIMET: That is right, except in the field of physical structure that we have talked about, and of management of the spectrum and general regulations which we have mentioned.

The CHAIRMAN: I think Dr. Raynault, wanted to comment.

Mr. RAYNAULD: I think that the comments that I have to make are very similar to those that have just been made by the President of the CBC.

But there may be another way in which this can be expressed. As I see it, it would seem that when we say who is going to lay down policy, we must first start from the government level. At governmental level, it is said that it is necessary to have relatively overall decisions and then the rest of the decisions are taken at a lower level.

Now, the immediately lower level, would seem to be the BBG. This Board by its very nature, I think, would have to look after both the public and the private sectors. So its function is determined from the very outset by its very nature. It is said that this Board must deal with all that relates to the coordination between the public and the private sectors. Then the classical example has been given here. It is obviously the allotting of frequencies of the physical organization. I would add that there are also elements which must be dealt with by general guidelines, others may cause concern or at any rate should come within the purview of the Board.

Perhaps I could speak a little as an economist: it has been said that there is a public and a private sector. This means, necessarily, that there is now competition. If there is competition then it is necessary to have an organization which sets down the rules of the game. Our organization could also be given over to free competition, in which case it could be said, quoting the economists, that there are regulatory mechanisms of the market.

But in the field of broadcasting, we realize that we cannot leave the network to the free competition of the market because there are mechanisms that are biased or people have reactions that are rather opposed, that are different from what usually takes place in other sectors. I am referring to the fact that it is not certain that when we increase the quality of a programme we will get a bigger audience. That is not certain at all. Well, then, we have to say: We need a body which is going to be a substitute for the market mechanism so as to establish a certain rule of the game.

At the present time, I think we have radio and T.V. stations which can be successful despite the fact that their standards can be very different from what we would wish them to be. They are nevertheless, successful and they make enough money to stay in business. In another type of industry, one always hopes,

this is not always true either, but what is usually hoped is that an enterprise which produces bad products will disappear, so no one interferes, but in the radio sector there is no evidence of this. Besides, there are certain ties. One must always remember that we are still and always in competition with someone outside one's own organization. There may be concern, which applies to both the private and the public sectors and that would come under the purview of the BBG which already has the necessary guideline as regards the Canadian content of the programmes. I think that that should come under a Board because the public sector is subject to limitations from the private sector and vice versa, because of the presence of the public sector. So, I think there should be common rules, they need not be identical for both sectors, but they should be common to both sectors. I think that there are certain things that we cannot do today in the public sector because there is competition.

At this point, I would say: All these fields belong to the BBG, and moreover, as regards the public sector, our opinion—and my personal opinion—is that if this is applied only to the public sector, well, then, that comes within the purview of the CBC Board of Management. This is how I would see the distribution of responsibilities between the government and the Board. The government looking after general policy and the Board to look after everything that concerns the necessary coordination. Here, of course, we can have divergent views on what is necessary in terms of coordination. But then, within the public sector, alone, a logical solution to this prob'em would have to be found because comprehensive responsibility should be exercised in all fields.

(*English*)

Mr. BRAND: Dr. Raynault, I think you lost me somewhere back about five minutes ago. You said that you agreed with the president of the CBC. Then you go on to say that he, of course, states he would not like to see any other body between Parliament and the CBC board of directors; is that correct?

Mr. OUIMET: This is correct, except again in so far as general regulations and the management of the spectrum is concerned.

Mr. BRAND: Is this what you meant when you talked about the BBG? Did I understand correctly that you feel there should be some areas in which the CBC board of directors would help to control the private sector of broadcasting as well?

Mr. RAYNAULD: Oh, no.

Mr. BRAND: That would be my next question. Should the CBC be completely autonomous? In other words, there have been some comments here about how often the boards and the CBC are subject to the inquisitorial experience of appearances before this Committee and similar committees of Parliament. Would you like to see the CBC board given clear directions and then told: Here is a certain lenght of time before you will be reviewed by some board; go to it. If you do a bad job we are going to fire you, if you do a good job we will keep you on. Is this what you would like to see?

Mr. BEVERIDGE: Mr. Chairman, surely you are not implying that we have a life sentence if we do well?

Mr. BRAND: No, not necessarily. The members of the board would, of course, be changing.

Mr. BEVERIDGE: I am sure that the members of the board would be in agreement with this system provided they still had a term of three years to look forward to.

Mr. BRAND: I mean that the board, however it may be constituted through the years, would still be running the CBC without constant interference from parliamentary committees.

Mr. COHEN: Could I make just one comment on that Mr. Chairman? I would like to say that I think the hon. member puts an important question namely, just what is it you expect from Parliament and how do you expect to work out your role?

My first answer is that I think Dr. Raynault has outlined very ably the therby under which the enlarged and strengthened BBG would function. I would heartily support his general doctrine that there is a positive physical planning and regulatory function for the BBG as well as a long term co-ordination function so long as one understands the area of co-ordination and one begins to work it out in some sensible way. You cannot see all these things in the future but there certainly is an area there.

When it comes to the CBC as an operating entity I think the CBC is entitled to be told in very simple terms in some appropriate document—for example, a statute—the following: that all Canadians shall have service to the best of the resources that Canada can allocate; secondly, that all Canadians shall have the best possible service, which means a mix of programs to the best possible extent that mix can be designed.

When you get to the point of saying that all Canadians shall have the best possible service the judgment making on that must be somewhere, but where will the judgment making be? And the judgment making on what it means to have the best possible service cannot be in a forum, it seems to me, other than the forum which is going to operate the very entity itself. You trust that entity and hire them for x years and fire them if they do not do a good job, but if you get another forum, whether the forum is parliament, or another agency or this Committee, you then, it seems to me, intrude upon the very managerial function you have delegated, namely, to give the best possible service. That best possible service is measured by public reception over the long run. In the end the public is the consumer and public reception over the long run must be the ultimate test of whether or not this simple direct mandate giving the best possible service has been met or not.

Dr. BRAND: I think, Dean Cohen, you have stated very clearly exactly what I wanted you to.

Mr. FAIRWEATHER: Parliament itself has suffered the same thing.

Mr. COHEN: More frequently, regrettably.

Mr. FAIRWEATHER: Some of us would like a longer term.

Mr. BEVERIDGE: I am sure, Mr. Chairman, that if, as and when medicare is implemented on a countrywide basis, having in mind, of course—

An hon. MEMBER: No "ifs".

Mr. BEVERIDGE: —this will be provincially controlled to a great extent, none the less I am sure Dr. Brand would agree that the same quality of medical care will not obtain in every community, but the best possible medical care that can be provided will be provided. The same sort of situation obviously obtains in broadcasting.

The CHAIRMAN: Dr. Roussel wanted to comment.

Mr. ROUSSEL: Dr. Brand, if I understood, you implied in your question that it would be desirable for Parliament to delegate the authority to the BBG and the CBC for the public national broadcasting. Did I understand you correctly?

Mr. BRAND: For the CBC itself to be delegated and given a mandate—

Mr. ROUSSEL: Delegation of authority.

Mr. BRAND: Yes.

Mr. ROUSSEL: Which I think would be very desirable.

Mr. BRAND: Very desirable? Is that correct?

Mr. ROUSSEL: Yes.

Mr. OUIMET: Mr. Chairman, I do not know whether I understood the question or the answer in this case. You asked whether the delegation of authority for the public service should be made to the BBG and the CBC.

Mr. BRAND: I said the CBC only: I did not mention the BBG.

Mr. OUIMET: Then I am glad to be able to agree with Dr. Roussel that it would be very desirable.

Mr. OSLER: It seems to me that a natural time for such a very comprehensive review is when the five year plan, or whatever period of time that would be allowed for monetary planning, was made.

Mr. BRAND: That was my next question. How long a term do you think would be desirable in view of the necessity for long range planning and technical changes? How long do you think the board should have before it is reviewed formally by some arm of Parliament or whatever it may be?

Mr. OUIMET: I think we have discussed this at length. We have recommended five years, knowing very well that five years is really not five years because, in order to be ready for the renewal of the mandate for another five years, you have to start an inquiry before the termination of the first five year. This inquiry would take at last a year, I believe; so this year with four years free of inquiry, would make up the five years.

Mr. BRAND: Do you think it is long enough, Mr. Ouimet? That is what I was wondering.

Mr. OUIMET: Now, I am speaking personally, actually, I do not think it is long enough. But as a start, to experiment with to see how well it works, I think it is worth trying out five years, and then I hope that the results will be so good it can be extended to a longer period after that.

Mr. MACAULEY: In addition to that, Dr. Brand, I think it would be desirable, if at all possible, that there should be a continuity of board members; in

other words, not have all the appointed members leave the board at one time. There should be staggered appointments, particularly if a new board takes over under the new legislation. They should carry on with staggered tenures of office, so that the president of the corporation or the chairman of the board is not left with people who are not familiar with the operations of the CBC.

Mr. BRAND: Yes, this was one of my other questions as well. I was wondering whether you wanted continuity in the board without the life sentence Dr. Beveridge mentioned.

Mr. COHEN: Mr. Chairman, if Parliament were to accept the theory of a quinquennial review, one would also have to accept the notion that Parliament has responsibilities which cannot always be foreseen, and this promise of a quinquennial review must be open ended for emergencies. They may be real emergencies which justify parliamentary intervention in the affairs of the CBC. It also means, after the years of experience we have had in the matter, a high degree of self-restraint in the face of a quinquennial policy, but it has to be open ended for emergencies. If one has a balanced view of what is an honest emergency as against a temporary flare-up over a given situation, one might eventually reach the stage where the relationship of Parliament to the problem becomes an extremely valuable one; quinquennial in general but occasionally more, if necessary.

Mr. BRAND: Are you suggesting, Dean Cohen, that if we have another Seven Days crisis it should be brought before this Committee once again?

Mr. COHEN: I am suggesting that it should not.

Mr. BRAND: Oh.

An hon. MEMBER: We should not have them.

An hon MEMBER: That is right. I agree.

Mr. BRAND: I just want to ask one brief question about Canadian content and whether members of the board will agree that it is realistic in the way it is laid down now, or would it make more sense to suggest that with the abilities you would have with long range planning, stations should make as much use of Canadian content as possible and make it a little more realistic than it is at present? Do you think there is anything to be gained by putting in percentages, in other words? Is there anything to be gained by this?

Mr. OSLER: I think this is a problem that is much more relevant to private station operation than it it to us, because the way I look upon your question from our point of view is that it is almost turned around the other way. We will put on as much Canadian content as we can afford to do...

Mr. BRAND: What percentage of Canadian content does the CBC have right now? I mean truly Canadian content.

Mr. OSLER: About 58 to 60 per cent. Is that it?

Mr. OUIMET: It is from 60 per cent to 65 per cent. It varies from season to season, but I would say at this moment it probably is about 65 per cent.

Mr. BRAND: It is not correct that some of this Canadian content includes certain percentages which are allowed because it is a British film?

Mr. OSLER: That is true, Dr. Brand, but it is the same for everybody. It is not of great importance to us because we put on as much Canadian content as our budgets will allow. I suppose a private station could say the same thing, but our mandate, as such, is not to entertain and make money; our mandate is, in effect, to do a job across the country for Canada, so we would use as much Canadian content as we could afford, as the traffic would bear, and as the balance would allow. Excellent things are produced in other countries and just because they are not Canadian does not mean that they would not do. Ideally, I really do not think that would be relevant to us at all.

Mr. OUIMET: Could I complement this answer? The difference between the CBC and the private stations is a very marked one in this respect. In the case of the CBC you have an institution which is self-contained and there is only one. Even if you talk of our individual stations, they still are part of the CBC; they still are subject to the same rules and they actually take most of their programming from the network, while in the case of private stations you have all kinds of private stations with different resources. In our case our resources are allocated to all the stations so that each station can do as well as any other CBC station. Therefore, once you have decided the policy for the institution itself, you have decided the policy for each one of our own CBC outlets. In the case of private stations, of course, you have little stations, rich stations, poor stations, independent stations; you have affiliates of CTV, you have every possible kind and there you would have, I imagine, very different resources to meet a fixed Canadian content amount. I think this is what has given rise to the idea of Canadian content adjusted to the means of each station. But in the case of the CBC that does not present itself; it is the content of the institution.

Mr. BRAND: Thank you, Mr. Ouimet. I have one last question and that is who do you think should control the private sector of broadcasting? Should they have a board similar to the CBC which is also autonomous within the regulations, or what?

Mr. OUIMET: This should be an independent board very much like the BBG. It might be called the BBG or what Dr. Stewart recommended in his report at the time of the troika, which was the IBA—the Independent Broadcasting Authority—because if there is a change in the scope of the responsibilities of the BBG, there might be a need for a change in its name.

Mr. BRAND: This, of course, leaves us one other question. The Canadian Association of Broadcasters indicated here—after considerable prodding, mind you—that they would like to get out from under the thumb of the CBC.

Mr. OUIMET: Of the CBC?

Mr. BRAND: Yes. I am talking about the CBC and I will explain what I mean. They have to accept certain programs through the authority of the BBG, I presume, or their recommendations. They have no choice in which CBC programs for those stations—

Mr. OUIMET: You are speaking of the affiliates?

Mr. BRAND: Yes, the affiliates.

Mr. OUIMET: These do not represent a majority of private stations, but they represent a large number of them, and we are in agreement with them that we should work out the objectives of having our own stations so that they could be free from the obligation of carrying CBC programs.

Mr. BRAND: But you agree with two independent boards and believe there could be enough agreement between the independent board of the I.B.A.—it sounds like a grocery chain—and the CBC to make them a little happier than they are at present?

Mr. OUIMET: Yes, but for the moment we have agreed, as a board, that any remaining problems of co-ordination between the two—because we are still not yet a pure dual system—would be the responsibility of the BBG. In the case of the affiliates, the BBG would review the affiliation agreements if the private stations did not agree they were fair in the first place.

Mr. COHEN: I would like to comment here because this is a very important point of departure. As a newcomer I have been struggling in my own mind to know how one makes a judgment about this very serious matter. Two pieces of evidence influence my own thinking on the concept of what you do when you have a private and a public sector growing up as ours have done. Historically the CBC was alone; the private sector comes in and over a period of ten years becomes very powerful in its own right. Those are the facts of life. Now, how does one play this game from here on? The two pieces of evidence that impressed me were the Australian and the British experience where, as this Committee know better than I do, the two sectors have gone their own way, some with more, some with less co-ordination, I understand. In the case of the United Kingdom it is less, and in the case of Australia maybe a little more, but still they have two separate supervisory boards. I am not sure—maybe it is the reverse.

The other piece of evidence is the attitude that someone as responsible as Dr. Andrew Stewart takes to this issue in which he seems to think that he would like to see two separate boards, each responsible for its own sector and with whatever co-ordination may be desirable on a kind of eye-to-eye basis, but autonomy for each. Now, these seem to me—outsider coming fresh to the board—evidence of a kind that one cannot ignore if you are looking for guidelines. For myself, I must say I am most sympathetic to the principle, atmosphere and objectives of the White Paper. I would hope that the White Paper can be interpreted to mean the kind of thing that Dr. Stewart and Sir Hugh Greene and the others have suggested; that you have your two systems and you get the maximum co-ordinating mechanism possible between the two but a high degree of programmatic autonomy where each is concerned.

Mr. BRAND: I have one more question but I do not know where I should bring it up; it may be out of time. It is merely what is your view—or perhaps you do not have one—on community antenna television systems and who should control them.

Mr. OUIMET: This is a matter which we have discussed only very briefly at various times at the board level and our conclusion was that it should be part of the broadcasting operation of the country. In other words, it should come within the framework of broadcasting regulations and we were definite on this.

Mr. BRAND: I am glad to hear this view-point in view of the fact that a bill by the Bell Telephone in which they want to control the coaxial cable soon is coming before the House again and it poses a real problem as far as transmission facilities are concerned; whether they should be owned privately, by government, by the CBC, and so on. Right now the microwave network in some areas is owned by the telephone company, is it not?

Mr. OUIMET: I do not know whether we are speaking of the same thing here. When you talk about the micro-wave system—

Mr. BRAND: Well, I know we are not, in a sense. Perhaps I did not put my question properly, but it is a matter of transmission of electromagnetic impulses for the use of television, radio, and telephone.

Mr. OUIMET: This may be a plan to transmit CATV service across the country, instead of handling it as a local service, in areas where reception is difficult. Is this what we are talking about?

Mr. BRAND: Well, partly; it is part of the same thing. It is just a matter of a definition of the transmission of these types of impulses. Is it considered telecommunications which come under the Bell Telephone Act so that they would control the transmission of these impulses which could include television impulses?

Mr. OUIMET: I believe the whole broadcasting field—I am talking about the physical side—should be co-ordinated under one authority.

Mr. BRAND: Thank you very much.

Mr. PRITTIE: Mr. Chairman, could I interrupt? I am rather pressed for time today and I have to leave. I suggested we have this meeting with the board of directors and I found it very, very useful. I would just like to express my thanks before I have to run along.

(*Translation*)

The CHAIRMAN: Mr. Pelletier.

Mr. PELLETIER: Mr. Chairman, the first question that I would like to ask and I would like to warn members of the Board that I do not intend to open a prolonged debate on this, but I would mainly like to receive brief answers so that they can be shown on the records of this Committee. In the visit that the Committee made to the CBC facilities and installations, several members of the Committee and myself among them, got the impression that there was dangerous obsolescence in the existing equipment. My question is twofold, first of all, is this impression warranted? I will tell you how this came about. We saw the equipment of the Production Centre of the CBC, and we compared it with the equipment of the new Centre which was installed for the International Broadcasting for EXPO. Is my impression warranted, first of all, and secondly, the reason for this obsolescence, is it related to planning, in other words, does it relate to the fact that the CBC's subsidies are granted on a yearly basis and not over a long period?

Mr. OUIMET: Your impression is quite correct. The equipment is very old and we have reached the point where it is becoming risky from the operational point of view, it is becoming quite difficult to remain on the air.

Mr. PELLETIER: What would be the cost with regards to repairs?

Mr. OUIMET: It is not so costly for repairs but it is very expensive with regards to production. In other words, when we have no modern equipment, the production of programs is more expensive, and it takes more time. Now, the other part of the question was the reason for this state of affairs. Yes, this is due to planning problems because we do not have long-term financing. There is also a third reason for this, in Toronto and Montreal it is simply that the consolidation projects which should have been completed a year ago, have only started this year. And things have been postponed from year to year for economic reasons. Simply because we did not have the money and we had no money because the money had not been appropriated.

Mr. PELLETIER: Could this fact prove serious, in view of the inevitable—I must use the word—competition between the private and public sectors?

Mr. OUIMET: Yes, if this were to persist any longer. I do not think it would be too serious however, if we can go ahead with our plans. For instance in Montreal—you referred to the installations in Montreal—if we could complete them, say, in four years time, things would not be too bad despite the fact that it is extremely difficult to operate a whole set of installations when they are dispersed in eighteen different locations. You saw only three or four at the most.

Mr. PRENTICE: I would like to make a comment, Mr. Chairman, on this point. It seems to me that the problem of colour broadcasting might have an effect on the public sector. If we proceed too slowly it might then be serious.

Mr. OUIMET: Yes, you are quite right. I was not thinking about colour broadcasting at all. You may know that the Fowler Commission recommended that the CBC should equip but one studio in Toronto, one only in Montreal, and one in Ottawa, I believe, and that for the other places, such as Vancouver, Winnipeg and Halifax, there was to be no colour before 1970; there was to be no colour programs produced in those places. This puts us in a very difficult situation, because the other Canadian private stations and American stations, to which the people can listen without any difficulty whatsoever, have no limitations placed upon them; they can go ahead. Whereas we cannot spend, for the time being, more than $15 million to do what we have to do in colour broadcasting. We are now preparing a brief to present to the Treasury Board and we are asking that Board to allow us to start the second phase of the conversion from black and white to colour.

Mr. PELLETIER: To return to a question which was discussed at some length, that of the relations between Parliament and the CBC, I do think that you all agreed that the interventions in the House whenever something happens in the CBC are unavoidable. It is impossible to prevent Members of the House who get the inspiration to do so, from getting up and protesting any given type of show, or any decision. At the present time, what takes place in the House is that the Minister says "I will report your comments to the CBC Management". Have you ever considered any other solution for this or am I wrong to think that you believe this to be unavoidable. According to you, should there be a rule under which the Canadian Parliament would not listen to any interventions concerning the CBC except periodically, when a review of the CBC activities would be in order?

Mr. OUIMET: I do not know to what extent my colleagues are aware of the comments of Sir Hugh Greene when he came before the Committee last week, because of course, there is another alternative. There is the solution adopted in Great Britain where there is parliamentary discipline which has become established either by tradition or by regulation and which reduces the number of questions and interventions concerning broadcasting and particularly that of the CBC in England. Now, if that were possible in Canada, it would certainly facilitate our work, it would greatly reduce the number of opportunities or occasions where the CBC makes the headlines throughout the country, and very often we must confess that they are harmful to our activities. They are not always brought out because important events that take place in the CBC. They are not always errors; committed by the CBC, they are not all major errors, they are very often details that are not very important, yet they make the headlines, only and precisely because they were the subject of a question raised in the House.

Mr. PELLETIER: Futhermore, I believe we all agree that public opinion is not affected so much by true importance, but because of relative importance, and if you get a flood of interventions on any given question, the impact on the public opinion is often not determined so much because of the importance of the question but rather because of the importance of the reaction. There is created a sort of need to get an answer or to get action. I will not say to placate public opinion but perhaps to give it satisfaction.

If it is not Parliamentary debate, I would agree with this—if this is not to be the solution—to come before a Parliamentary Committee on this matter—what is then the solution to be? These occurrences take place because a need is created, rightly or wrongly, for an answer to be given. Who is to give it, and what shape should this answer take? If the Parliamentary solutions have proved inadequate, I do not think that the CBC itself has found satisfactory solutions either.

Mr. OUIMET: No, we have no other solutions to suggest, but I think you would be the first to recognize that a great number of questions do not reflect any marked public interest and yet may create a great many problems for the CBC. One of these problems is that when we answer a given question, we answer through the Minister. We cannot do otherwise. All we can provide is an answer to the question that was put, so that if the question insinuates or implies anything further, we cannot answer the insinuations. We are at a disadvantage.

Mr. PELLETIER: What I had in mind was oot so much an answer given in the House itself, but an answer given to the public. Has the Board played its role properly or could it play a larger role in allaying the discontent expressed by public opinion and communicating with the corporation on the other hand.

Mr. OUIMET: Before I yield the floor to my colleagues, I may say there is no easy solution to this problem. Canadian broadcasting, or perhaps I might better say, the CBC, faces a real problem in its relations with Parliament. We have not yet found any ideal solution. You were suggesting that perhaps the Board or the CBC should provide the public with details directly. The tradition so far has been, although it may not be a good one, the tradition has been that when questions are put about a Crown Corporation in Parliament we make no public

comment on the question put. In other words, having answered the question in the House or in a Parliamentary Committee such as this one, we make no public comments, that is, we do not use the means of communication that are available to anyone, and not merely our own resources to inform the public on that question. At least not while the question is under debate. Once the question put in Parliament has been forgotten we might air our views but if there is any criticism—very often the questions asked in the House take the shape of criticism—then there is no means for the CBC really to make a statement to the papers and say, "The question that was asked in the House yesterday implies such and such, well, we must say the situation is such and such". We cannot very well answer Parliament through the press, and we cannot add to the reply given in Parliament by availing ourselves of the newspapers.

(*English*)

An hon. MEMBER: May I make a comment on that?

The CHAIRMAN: I think Dr. Raynauld and also Dr. Beveridge want to comment.

Mr. BEVERIDGE: Mr. Chairman, I sense that Mr. Pelletier's question is right at the heart of some of the disaffection, shall we say, that a good many members of Parliament and the public have with regard to the operation of the CBC. I think it is this matter of difficulty and, more or less, direct communication. I think they feel they are being thwarted, diverted or their queries are not receiving prompt, full and frank treatment. I do not pretend to know the answer to this problem of communication, but it certainly is an anomaly that a crown corporation whose specialty has to do with communication apparently has not been able to solve this particular problem, and I do not mean to imply that the crown corporation is in a position to solve it. But I think we all ought to recognize that this probably is one of the areas that must be solved in order for the crown corporation to establish a better position in Canadian life.

(*Translation*)

Mr. RAYNAUD: Mr. Chairman, I have the impression that the problem raised by Mr. Pelletier will not be solved at the Parliamentary level. I am under the impression that members who ask questions about the CBC in the House reflect the situation which prevails in their particular environment, and I think it is by addressing ourselves to that environment that we may solve the problem that is raised at the Parliamentary level. I have the impression that it is necessary to improve communications between the CBC and the public, and here on previous occasions, or earlier this morning, questions were raised about holding public hearing. We are considering this possibility, and I think that we should try to further improve the communications system between ourselves and the public. Not precisely in order to answer questions such as those that are raised in the House—some are very specific—but I think that the specific questions would decrease in number greatly if we managed to establish improved communications with the public. In other words if we could have this information service on a much more elaborate basis and I think that regular public hearings would also be most beneficial, because people would be given an opportunity of expressing their feelings, their opinions concerning CBC, then perhaps they would raise

fewer questions through their members in the House, knowing that there is another medium through which their feelings and protest can be expressed.

Mr. COHEN: I believe Miss Hyndman wanted to speak before me and I yield to Miss Hyndman.

Miss HYNDMAN: No doubt this question was asked when this Committee heard Sir Hugh Greene and Sir Robert Fraser. I happened to be in England shortly after my appointment and, knowing it was a matter of great public concern in which I would be involved in making some decisions and recommendations, I availed myself of the opportunity of discussing a number of matters of structure with both the BBC and ITA. One of the questions I asked was just the one that Mr. Pelletier asked: What happens when someone raises the question in Parliament of a particular policy or even a particular program of either the Authority or the Corporation? The answer was that the Postmaster General referred the question to the appropriate body who, in turn, communicated directly with the inquirer.

I think it is quite arguable that something is lost in the procedure which has been followed here in the past. When a question is asked of a minister, and the minister asks the corporation; the answer comes back to the exact question as it was asked. Now, not all people are experts in answering questions, but I think probably more are inexpert at asking questions to elicit the real information which they want.

The CHAIRMAN: Some questions are not asked to elicit information.

Miss HYNDMAN: Some are not asked for serious purposes.

The CHAIRMAN: —particularly in Parliament.

Miss HYNDMAN: But there is a dryness, a lack of human communication, and no opportunity for explanation which there would be, I think, if there were direct communication, between the board and the inquirer, whether it be the BBG or the CBC board of directors depending on whether an independent company or the CBC were involved. It has worked out in other places and I agree with Dr. Raynauld that any system of conferences might eliminate many of the questions which are asked, and I am referring to those which are asked seriously, Mr. Chairman.

Mr. MUNRO: Mr. Chairman, may I interject for just one second in connection with what Miss Hyndman said? Perhaps Dean Cohen could answer this question. If the mandate of the CBC somehow were altered by a change in emphasis so that under this five year allotment of funds—which would be an improvement in itself, of course—your mandate were more in terms of a trustee for the public rather than for Parliament, would this break down the obstacle in communication that when the Minister is asked a question you cannot go directly to the public but, rather, you must go back through the minister to Parliament? Do you feel this type of change in emphasis would permit you to go direct to the public to offer your explanations?

Mr. COHEN: I hesitate to intrude on what is much greater knowledge on the part of the president than myself with respect to the technical aspects of the question you asked, but may I answer it in my own way because I was about to

make an intervention which may, in part, deal with it. As I listened to this very interesting question posed orignally by the remarks of the hon. member from my own province, it occurred to me that one could have two perspectives on this. One perspective is to think of the CBC by contrast with, say, the Bank of Canada board and the CNR board and think what happens in that setting. Take the extremes of privacy to the extremes of public. I would say the extremes of public non-expectation of disclosure is the Bank of Canada board. Neither Parliament nor the public expects the board of the Bank of Canada nor the governor to say much about what goes on and he rarely has to explain, rarely has to apologize, rarely has to defend, rarely has to give answers and Parliament rarely asks questions.

Take the other extreme—the CBC—where there are frequent questions, frequent explanations, frequent concern. Take the middle position of the CNR where there are vital public issues but—except perhaps for a rash now and again—only a middle volume of questioning either in intensity or frequency. Why is this? I think, perhaps, it is because of the very nature of the function. To some extent, I think, there is a permanent quality about broadcasting which makes it uniquely vulnerable to any kind of forum. I doubt whether one can wholly immunize a great publicly-owned system from the kind of issues which prompt parliamentarians to raise questions. I suspect this is the very nature of the activity. Television is so much in the home, so much a medium which dramatizes and affects the lives of every one of us in incalculable ways, that the public response to it is bound to be more immediate, more dramatic and more vociferous than, perhaps, any other type of crown activity one could possibly imagine. So, I think the likelihood of a buffer to immunize the CBC from a kind of occasional harasssment in this kind of forum is not very good.

I would, however, suggest there is something to be said implicit in Miss Hyndman's remark. I would go one step further. I think there is room for the development of a parliamentary tradition of self-restraint. That is to say, that the tradition may grow in the House that one does not do this because nothing is gained by it and a lot of harm follows—

Mr. MUNRO: What an optimist!

Mr. COHEN: Perhaps it is optimistic to expect, but I think one can develop a tradition that this is an area like the Bank of Canada. One does not find parliamentary questions about the Bank of Canada partly because it is hard to frame questions in an intelligible way.

Mr. SHERMAN: That depends on who the governor of the Bank of Canada is.

Mr. COHEN: Yes, it depends on who the governor of the Bank of Canada is. But I suspect also, because there is a quite proper feeling that the issues are such that their debate in the forum by way of a question is not in the national interest, that if one could somehow or other develop that sentiment about something as sensitive as the CBC it might go a very long way. It still would not answer all of the problems.

Finally, to come down to your own specific question, I would leave it to the president's much longer and deeper experience than any of us to elucidate on that, but my first impression is that a concept of corporate autonomy might

conceivably evolve in which the relationship with Parliament, though sustained, might be somewhat different than it is today.

Mr. OSLER: I may sound like a devil's advocate, but I do not intend to. I would just like to change the emphasis slightly. At one time I was on the board of a private broadcasting station that was very successful and I learned a little about one's extreme sensitivity towards audience reaction. I think the problem of the CBC must never be divorced from the fact that, contrary to some tradition, we do not live in ivory towers, and that if we did live in ivory towers we would be a colossal failure. We have to have some way of measuring public opinion other than opinion polls and all the rest of it. I think there has to be some vehicle through which the public can express their feelings toward their own broadcasting systems.

I think that Parliament tends to exaggerate things by its very nature and, therefore, I think it would be much better if the emphasis were on regional hearings, getting around talking to people and that sort of thing. I think it would automatically take a great deal of the heat and frustration off the parliamentarians, and the public would tend to come to us. At the same time, we should do all we can to develop our own public relations channels with Parliament which, I think, have probably been a bit lacking. I would hate, however, for the sake of keeping down discussions, to see ourselves become insulated or more insulated than we are.

Mr. OUIMET: Mr. Chairman, I would just like to supplement what Dean Cohen said. Mr. Munro asked whether a change in the wording to imply or indicate trusteeship to the public instead of trusteeship to Parliament would help. I think it would help. I think the BBC has been helped by their approach to the problem. I do not know whether or not it is feasible, but I do think it would tend to help. That is all I can say at the moment.

Mr. MUNRO: Mr. Chairman—

The CHAIRMAN: Mr. Munro, I think we should allow Mr. Pelletier to complete his questioning.

Mr. PELLETIER: Mr. Fairweather was talking on the same topic and he asked me long ago, Mr. Chairman, whether he could put a question.

The CHAIRMAN: If you are willing.

Mr. FAIRWEATHER: I am sorry, but it is 12.30 and the board has been very generous with the time. This line of questioning is very vital to us and I want to put this problem on the basis of an actual happening a couple of weeks ago. The public affairs section did what I felt was a first-rate program on the social problem in my province of New Brunswick. I follow Dean Cohen's feeling about self-restraint but I found myself as the apologist or a defender of that program to the constituents of New Brunswick—not my riding—who lacked an understanding of what the program was supposed to be; that is, not a travelogue of the seashore of New Brunswick. I am glad to do this, but I would like to be helped by some explanation by the corporation of what they are intending to do.

I get the *CBC Times* and I am grateful for it, and then there is *The Listener* in Britain which does this, but each day the newspapers have a column in which I think this program would be shown as a public affairs program. There was no

attempt by advertisement or as advance warning to inform the public of the purpose of the program. I thought it was an excellent program, but the people who did not understand it feel that Parliament, through its members, should control the CBC. Of course, the implications of this are terribly dangerous.

I do not know where it breaks down, but I felt that had the purpose been explained first, then the public might have been ready. I am sorry that it is a personal example, but we have been talking here without examples. You did not find members asking questions about this, but if they had followed their mail, telephone calls and the editorials in the press they would have been thundering away in the Parliament of Canada.

Mr. MACAULAY: I watched the same program and I come from the same province as Mr. Fairweather, but I knew what was coming and therefore was not shocked as many people were. I think it was an excellent program when one realizes its purport, and that it did a good job. I agree with you, though, that the viewing public were given something they did not expect and that it placed New Brunswick in a very poor light with people, particularly those who do not know New Brunswick. I think, probably, better education or advertising or publicity as to the purport of the program might have eliminated this problem.

Mr. FAIRWEATHER: Yes. I want to be very clear. As far as I could see, the program was terribly accurate.

Mr. MACAULAY: I think we will have to put on a different one to sort of—

Mr. OUIMET: Mr. Chairman, an inaccurate one.

Mr. MACAULAY: No.

Mr. OUIMET: Mr. Chairman, this raises a very important point and I will deal very briefly with it. I think that we fail on various occasions in our preparation of the audience for certain programs. It is certainly not costly to explain the purpose of a program to the audience before it is shown. On the other hand, in certain cases we must prepare the audience some time ahead of the actual showing of the program and this often appears as self-promotion. I think everybody who has looked into CBC operations has come up with a strong recommendation to the effect that we should spend more time and, if necessary, more money, not only in preparing the audience, but in explaining our position either before or after the program. I think, with all our other preoccupations, we have not done enough of this.

Mr. FAIRWEATHER: Yes. I am glad to do it, but—

Mr. OUIMET: But, it is our job.

(Translation)

Mr. PELLETIER: On another subject, Mr. Chairman, it is my understanding of the BBG that they were in favour of an increase in the numbers on the Board. Have you considered this question in the Board? The possibility of some members specializing in English network questions and others in French network questions.

Mr. OUIMET: Yes, we have considered this and we believe that the Board should consist of 15 members, five of whom at least would be French speaking,

bilingual if possible, and perhaps five of the ten others should also be bilingual, which would enable us to sub-divide the Board into two. We could have a Committee which would deal with French programming and one with English programming. The Chairman would take part in the deliberations of both committees. If we had these two committees, then it would be possible to hold special and specialized meetings to consider the operations of the French network and of the English network respectively. But of course, they would only be committees of the Board as a whole and the Board would always have to meet in full to discuss the overall policy and make sure that it is applied by the two committees.

Mr. PELLETIER: You probably met with this problem which is rather difficult to discuss. Has it not been difficult to discuss French radio or TV programs, where the majority of Board members do not understand programs in French and consequently have no direct contact with the French production?

Mr. OUIMET: That is precisely why we brought forward the suggestion of having a Board with greater numbers of directors, and also the suggestion of sub-dividing the Board into two parts to deal with the cultural requirements.

Mr. PELLETIER: Your second-third which would deal with the French side seems to be almost as important as the first one. It seems to me that the Board cannot operate in this field. We are not talking about banking or transportation. It seems to me that it is very difficult to conceive of a CBC board, the majority of whom would be incapable of ever being in direct contact with the French production network.

Mr. OUIMET: This is not only a question of bilingualism of the members of the Board of the CBC, it is also a question of sitting them in places where the CBC services can be received in the two languages. There are two reasons why the Directors of the CBC could not follow French network production; the lack of a French language service also comes into the picture and this is the position with which we are faced at the present time. For instance, Mr. Prentice who is bilingual, can never listen to French programs because there are no such programs in Vancouver.

Mr. PELLETIER: Yes, that is another reason why both networks have to be developed.

Mr. PRENTICE: In Vancouver there also should be an FM station.

Mr. PELLETIER: I would also like to know whether the Board has any opinions or views on the President of the Board being different from the President of the CBC, or even on the suggestion that was made of having at the head of the Board, two co-chairmen, one English-speaking and one French-Speaking. Have Board members any opinions on this?

Mr. OUIMET: I will start out by giving you the essential of the reply and then my colleagues can add their comments. We have never discussed in the CBC the idea of having two co-chairmen or two co-Presidents, one English and one French-speaking. The case has never arisen. Of course we have discussed the possibility of separating more than at the present time, the functions of the Chairman of the Board and the functions of the management or the General Manager of the CBC.

Mr. PELLETIER: The general mangement?

Mr. OUIMET: And there we agree. After several years of experience, I personally think that it would be preferable for several reasons to separate these two functions much more than they have been in the past.

(*English*)

Mr. COHEN: My own reaction to Mr. Pelletier's very interesting remark about co-chairmen, Mr. Chairman, is that it might raise almost as many difficulties as it proposes to solve. Proconsuls in Rome living side by side were notorious for fratricide and I would not like to invite that in our present fluid environment.

Mr. PELLETIER: Well, that is in the context and general direction, of course, of a separate chairmanship of the board.

Mr. COHEN: Yes, I understand, but even there two co-chairmen strikes me as more diffusion than radio.

Mr. OSLER: Mr. Pelletier, I should like to add this remark to that, being almost completely non-bilingual, but feeling very definitely that the pressure should be kept on so that any educated person who hopes to attain any stature in any kind of public life must become bilingual. I think it would be retrogressive to have co-chairmen. I think the answer to that is simply that you have to look for a very broadly-educated, well-travelled, bilingual man who is fit to do the job of chairman.

Mr. PELLETIER: You understand, of course, that the problem that gives rise to that kind of suggestion,—and I have lived through it, and I know it—is that producers and everyone who works for the French network, have the feeling that they are not connected with the board, when that Board is composed in its majority of people who do not even understand French; that whatever decisions they make, they make quite—

Mr. OSLER: Mr. Pelletier, yesterday as chairman of the program committee had all the senior people of the French network up. I know that the translating system is cumbersome, but we had a translating system so we could have free and frank discussions and it really was very good; very useful. All those who spoke French expressed themselves freely without having to grope for the other language.

Mr. PELLETIER: Yes, but that is not the problem I have in mind. The problem I have in mind is that you are, let us say, a producer and you produce programs.

Mr. OSLER: And I am unable to appreciate the—

Mr. PELLETIER: If you produce programs in English you have the conviction that everyone on the board has a chance to see them and appreciate them. If you produce them in French, you have the feeling that most people on the board will not see them, are not concerned and just do not know what is going on. One program might be selected for them to see; it might be explained to them, but I have often found that it does not make them any wiser. Sometimes they might think that a French program is great because of good-will when it is very

mediocre. But you get the impression that your work cannot be recognized, in the strictest sense of the word, and known to the people. That is the meaning of my question.

Mr. MACDONALD (*Prince*): Could I just ask Mr. Pelletier a question on this to clarify something? Are you suggesting that a solution to this might be for the majority of the board members to be bilingual—not French, but bilingual?

Mr. PELLETIER: Of course.

Mr. OUIMET: And chosen from areas where we have bilingual service; otherwise you have bilingual people who will understand what is said, but who will not have seen the program.

Mr. PELLETIER: They only can see a program when some question arises about it and you can show it to them, but they have no knowledge of the general production.

Mr. OUIMET: One solution, of course will come about as we develop the extension of the French language service, which is part of the White Paper proposal.

(*Translation*)

Mr. COHEN: We have five members of this Board who speak French and who know the French network very well, five members, that is a large percentage.

Mr. PELLETIER: A final question. You know that the Committee before whom you are appearing this morning, have suggested in a report the establishment of two positions, namely a man in charge of production and a man in charge of programming for each of the two networks. Now, supposing that this suggestion is adopted, would it serve any purpose for these two vice-presidents *ipso facto* to sit on the board?

Mr. OUIMET: In board meetings, we have not discussed this question of their sitting on the board.

Mr. COHEN: Well, we have not discussed it officially, but we do discuss it in general terms.

(*English*)

Mr. OSLER: In general. Excuse me for going to English, but I think that we have agreed—and I certainly expressed it forcefully this morning—that management should not be on the board; whether they are vice presidents in Toronto and Montreal, does not matter. I think where management is on the board there is a potentially dangerous situation. We should have more separation and, therefore, more accountability to the board, rather than more involvement in board policy.

Mr. OUIMET: By the way, I agree with this. On the basis of experience I do not think it would be too useful to have this arrangement and it would present many difficulties. If this suggestion is adopted, I think we can acommplish what we want by having the two vice-presidents you refer to, present at the meetings of the two board committees without their being members of the board.

Mr. PELLETIER: And the reasons for that have been given on the record of the Committee, Mr. Chairman?

Mr. OUIMET: No we have not given the reasons.

Mr. PELLETIER: No, but generally about management being part of the board?

Mr. OUIMET: Yes, it has been discussed, but I do not know whether this is on the record of this Committee.

Mr. COHEN: Mr. Chairman, in fairness to Mr. Pelletier, his question involves a fair amount of management theory and practice. For example the Standard Oil Company New Jersey prides itself on the fact that its board is made up of operating directors; the entire board is part of management. On the other hand, you have an enormous number of corporations where the board are non-managerial types except, perhaps, the president and executive vice-president may be on the board. I mean, you can play it both ways. Why, historically, in one setting you play it one way, and whether the corporate private analysis is relevant to public corporation, are matters of considerable sophistication in the area of management theory on which I do not feel I can have a judgment. But I must say there is one advantage in not having the vice-president on the board, and that is the board then is able to become the common enemy of everyone and unite everyone from that level down. Psychologically, there is a lot to be said for it.

Mr. PRENTICE: I would like to make one observation in the context of two vice-presidents each heading one of the networks. This still leaves the problem of the regions which we have not been able to deal with fully in our mind. It is an opinion of many of us that if you install a vice-president, English network, there is a problem of whether Winnipeg, Vancouver, and so on would report to him. Many of us think that the present system of a separate vice-president in charge of the regions is very desirable, because regions should not necessarily feel that they are all under Toronto's thumb. I do not think we have the same problem on the side of the French network.

The CHAIRMAN: Mr. Fairweather, do you have any questions? Mr. Munro?

Mr. MUNRO: Mr. Chairman, I realize it is getting very late; I would be very pleased indeed. I have just two questions I would like to ask. In this over-all area, in terms of the five-year financing arrangement you recommended, how do you as management of the CBC figure significant projects of great value such as this satellite system and the third network? I understand the CBC in Toronto have a proposal and intend to present it before the BBG. This seems to me to be something that has arisen in the last year or two; there are so many technological changes in this whole field of communicatons that these matters are coming up all the time, in some cases involving huge expenditures. How do you plan to anticipate that in an over-all budgetary approach? For instance, let us suppose you were in the midst of this five-year plan and suddenly there were factors which indicated you must get into expensive research into this whole area right away, hiring outside consultants and so on, and submitting proposals which, if accepted, would involve sudden very large expenditures, indeed. Do you anticipate in those circumstances, to remain in tune with new developments, that you would come back to the government for special financial assistance?

Mr. OUIMET: We do very long range planning—actually, much farther ahead than five years—and, based on past experience, I do not think we would have been caught with anything that we had not thought of in any five-year period. But it does not mean that some brand new, unanticipated development might not come up in a five-year period which we would want to exploit or use and in that case, of course, it is the same in reverse as what might happen in the case of Parliament; there may be something in the country that would require a revision of the plan and Parliament might want to revise it. But the chances of this happening are very slight.

Mr. MUNRO: Let us consider a hypothetical situation, for instance, involving millions of dollars—and I realize it is hypothetical. Let us say it was accepted as a matter of public policy that the CBC operate a third network; or that the CBC own a satellite system or have a majority ownership in it, involving millions of dollars. I would think such a situation would be outside the ambit of your five-year plan.

Mr. OUIMET: No, but it would be thought of before the five-year plan is prepared and unlikely to come up as a problem, if you are talking about a third network, which would actually be a second CBC network. If it is another network, it might have some effect. It would have a great deal of effect, as a matter of fact, on our commercial revenues but, nevertheless, if we have a flexible enough financial formula, we would know these things sufficiently ahead of time to be able to compensate. There is a certain amount of flexibility even in a capsule program; in other words, the priorities can be changed to take care of something more urgent which you have not anticipated.

Mr. SHERMAN: May I just ask a supplementary question, Mr. Munro? Mr. Chairman, this being 1967 do we assume from your remarks, for example, that you and your management cadre are thinking now in terms of 1971 and 1972?

Mr. OUIMET: Right.

Mr. MUNRO: I would anticipate that in a situation involving capital expenditures and isolated situations that would call for very intensive public discussion and decision at the governmental level, you could involve your whole five-year plan in considerable public controversy. This would have to be dealt with in some separate category, I think.

Mr. RAYNAULD: Mr. Chairman, I would like to add a word to this. I think that we have to separate questions of planning and expenditure from the financial formula as such. When we talk of planning expenditures on a five-year basis it does not mean that we have a plan of five years and we change this only at five-year periods. We change it every year, but always with an anticipation of five years ahead so that on the side of expenditures, I do not think that we are blocked for five years. It is only one year.

Mr. MUNRO: It is adjustable.

Mr. RAYNAULD: Yes, it is adjustable, but always, when you add one year, you go again on a five-year basis. This is, therefore, for the side of expenditures and this is the same thing, I think, as the capital expenditures of government departments. It is done that way already so it does not change any thing.

On the side of the financial formula it seems to me that this formula will have to cover definite things that are not foreseeable and are not predictable. I think that this formula will not cover some other major developments. I would have thought that if a financial formula had been adapted, say five years ago, that colour would not have been in when the formula was set up.

Mr. OUIMET: I hate to disagree with you; colour would have been in, but some other time we might get caught with something else.

Mr. RAYNAULD: In any case, the financial formula we have discussed up until now does not cover capital expenditures, so the problem does not arise at all.

The CHAIRMAN: Gentlemen, there will be another committee entering this room in a few minutes. I know Mr. Osler wanted to make a comment on the same subject. Would you care to do so very briefly, Mr. Osler?

Mr. OSLER: It really was not a very profound comment, but it seemed to me that Mr. Munro's question could have been answered at least partially, by referring back to the terms of reference which were built into the BBG. If there is a joint planning committee, or the BBG is responsible for planning, we come up with some public thing of a revolutionary nature that is going to require great capital expenditure, or if a private concern, for instance, comes up with something, the BBG would, presumably—if it were sold on the goodness of this thing—recommend to the government that we should be heard on our own capital requirements in order to fulfil our function under the new environment. I think it would become an automatic thing.

Mr. OUIMET: Mr. Chairman, before you adjourn, may I thank you on behalf of the directors of the corporation for this opportunity. I am sure I can speak for all of us in saying that we enjoyed the occasion. I think I can say that your questions provided us with an opportunity to throw more light on the subject than I have been able to do before.

The CHAIRMAN: On behalf of the Committee may I thank all of you and each of you for coming and giving us an opportunity to meet you, as well as to hear your views. I hope this has been helpful in some measure to you, as I know it has been to us, and I hope the public, as a result, will be more aware of the board's existence and responsibilities. For me, I find it has helped to bring the CBC to life to have you here this morning. Now we can go back and tell our constituents: Yes, Virginia, there really is a CBC board of directors.

Mr. FAIRWEATHER: Mr. Chairman, on another point, could the clerk get us about half a dozen copies of the Queen's Quarterly (Winter)? There is an article by Trotter that the Steering Committee should have.

The CHAIRMAN: Yes, I have asked the clerk to provide the Steering Committee with copies.

An hon. MEMBER: Why is it not available to all members of the Committee?

The CHAIRMAN: It is available from the library, is it not? We will try to obtain a copy for each member of the Committee.

The Committee might note that we will be celebrating St. Valentine's Day by welcoming the Minister at 9.30 on Tuesday morning.

APPENDIX 17

Biography:

J. Alphonse Ouimet,
B.A., B. Eng., D.A.Sc., D.C.L.,
LL.D., F.I.E.E.E., P. Eng.
President

Alphonse Ouimet was born in Montreal in 1908 and was educated in that city. His scholastic record is a notable one. In 1928 he graduated from St. Mary's College, Montreal, with a B.A., winning the Governor-General's Medal for excellence and the St. Mary's Alumni Gold Medal for highest marks in the final two years.

At McGill University, he continued his studies to become an electrical engineer. He obtained a B. Eng. with Honours, in 1932, receiving several awards and gaining the highest marks over the entire course of any student of the engineering class.

Fresh from university, he threw himself into the early experiments in television then going on in Montreal. As a Research Engineer of Canadian Television Limited and later of Canadian Electronics Limited, he played an important part in the development of a variety of television apparatus, including transmitters and receivers. But while he and other TV pioneers achieved a certain success, they were ahead of their time. They lacked the capital and the advanced technology to develop their TV system.

Publicly-owned radio was at that time in the early stages of growth. In 1934, Mr. Ouimet joined the Canadian Radio Broadcasting Commission as a Research Engineer. In 1936 when CRBC became the CBC, he was appointed operations engineer and in the ensuing years was progressively entrusted with increasing responsibilities in the Corporation's Engineering Division until he was appointed Chief Engineer in 1949.

His enthusiasm for television never slackened. He applied himself to the study of each new advance in television research. Following an extensive study of television in the United States, Great Britain, France and Holland, Mr. Ouimet, in 1947, developed the overall technical, economic and programming plans which were to guide the establishment of television in Canada.

His leadership in the field of television was acknowledged in 1949 when he was assigned responsibility as Co-ordinator of Television in addition to his duties as Chief Engineer. In 1951 he was named Assistant General Manager and on January 1st, 1953, he became CBC's fourth General Manager. One of his chief responsibilities was to organize and establish the national television service. By the end of 1958, through the co-operative efforts of public and private interests, that service was within reach of nearly 90 per cent of the nation's population. The achievement represented the fastest rate of television growth of any country in the world.

The demands of television and the problems of maintaining vital radio network services in two languages required more of the General Manager than just the provision of staff and facilities to do the job. It required a new approach

to the administration of the Corporation. Thus, it was that Mr. Ouimet undertook a major reorganization of the CBC, decentralizing the administration for more efficient and economical operations. Out of necessity, this project was undertaken during the period of greatest activity experienced by the Corporation. In 1958, he was appointed President of the CBC under new broadcasting legislation.

Recognized as Canada's leading authority on television, Mr. Ouimet was invited to Australia in 1954 to consult with the Australian Broadcasting Commission on the development of TV in that country. In 1957, he received an honorary doctorate in Applied Sciences from the University of Montreal for being "largely responsible for the installation and rapid development of Canadian television".

In 1958, he was awarded the Archambault Medal by l'Association canadienne-française pour l'Avancement des Sciences, "for his contribution, in Applied Sciences, in establishing the national television service".

In May 1962, Mr. Ouimet received the honorary degree, Doctor of Civil Laws, from Acadia University at Wolfville N.S. for ". . . his contributions to Canada through his associations with the Canadian Broadcasting Corporation". Also in 1962, the University of Saskatchewan at Saskatoon, conferred on him the honorary degree of Doctor of Laws, the accompanying citation stating in part, "The integrating effects of Mr. Ouimet's achievements on our widely spread population from the Maritimes to the Pacific ranks in most respects with the completion of our transcontinental railroad".

In May, 1963, Mr. Ouimet was awarded an honorary LL.D. degree from McGill University in Montreal.

He is a member of the Engineering Institute of Canada, which awarded him the Ross Medal in 1948 and the Julian C. Smith Medal in 1959 for "his contribution to the advancement of Canada".

He is also a member of the Corporation of Professional Engineers of Quebec, a Fellow of the American Institute of Electrical and Electronic Engineers, a Governor of The National Theatre School, Member of the Board of Trustee of the National Arts Centre and honorary member of Comité International de Télévision and holds membership in other organizations, including the Canadian Club, Rideau Club, Cercle Universitaire, the Seigniory Club and the Canada Foundation.

He lives in Ottawa, is married and has one married daughter.

Biography:

Dr. James Beveridge,
B.Sc., Ph.D., M.D., FRSC., D.Sc.

Dr. James MacDonald Richardson Beveridge, President of Acadia University at Wolfville, N.S., was appointed a Director of the Canadian Broadcasting Corporation for a three-year term, effective February 23, 1965.

Dr. Beveridge was born August 17, 1912, in Dunfermline, Scotland, the son of James and Margaret (Spence) Beveridge. He attended Dunfermline High School before coming to Canada in 1927. In Canada he attended Horton

Academy, Wolfville, from 1931 to 1933, and graduated from Acadia University with a B.Sc. (Honors) degree in 1937.

In 1962 he was awarded a D.Sc. degree by Acadia; a Ph. D. by the University of Toronto in 1940, and an M.D. by the University of Western Ontario in 1950.

Prior to his appointment as President of Acadia University in 1964, Dr. Beveridge was Research Assistant, University of Toronto, 1940-44; Scientific Assistant and later Associate Biochemist, Pacific Fisheries Experimental Station, Vancouver, 1944-46; Chairman, Board of Graduate Studies at Queen's, 1960-63, and Dean, School of Graduate Studies at Queen's, 1963-64.

Dr. Beveridge has been Chairman, Defence Research Board Panel on Nutrition and Metabolism since 1961. He is a member of the Canadian National Committee of International Union of Biochemistry since 1955 (chairman 1959-62); member Canadian Committee on Fats and Oils, 1960-65 (chairman 1963-65); member Fisheries Research Board of Canada since 1959; member American Institute of Nutrition; member Canadian Biochemical Society; member Canadian Physiological Society (secretary, 1953-56); member Council on Arteriosclerosis; member Nutrition Society of Canada (president 1964-65); a Fellow of the Chemical Institute of Canada; and a member of the United Church of Canada.

Dr. Beveridge married the former Jean Frances Eaton in 1940 and the couple has seven children.

In addition to his interest in education, Dr. Beveridge is a golf, fishing and bridge enthusiast. He is a member of the Cataraqui Golf and Country Club, Kingston, Ont., and the Ken-Wo Golf Club, Wolfville.

Biography:

Prof. Maxwell Cohen, Q.C.,
B.A., LL.B., LL.M., LL.D., F.R.S.A.

Professor Maxwell Cohen, QC, Dean of Law at McGill University, Montreal, was appointed a Director of the Canadian Broadcasting Corporation for a three-year term, effective July 15, 1966.

Mr. Cohen was born in March, 1910, in Winnipeg. He attended the University of Manitoba and received his BA in 1930 and LL.B. in 1934. In 1936 he received an LL.M. from Northwestern University, and in 1937-38 was a Research Fellow at Harvard University. He later received LL.D. degrees from the University of New Brunswick and the University of Manitoba.

In 1939 Mr. Cohen was called to the Bar of Manitoba. He has been Dean of Law at McGill since 1964, and a Professor of Law since 1952.

Mr. Cohen has had a varied career: Special Assistant and Junior Counsel, Combines Investigation Committee, 1938-40; with Economics Branch, Department of Munitions and Supply, 1940-41; special correspondent, "Christian Science Monitor," 1941-42; Lecturer in Law, McGill, 1946-47; Associate Professor, 1947-52; Secretary of the Faculty, 1947-53; Impartial Chairman, Men's Clothing Industry, 1948-51; Special Assistant to Director-General,

Technical Assistance Administration of the United Nations, 1951; served with Canadian Army 1942-46 with final rank of Major; attached to National Defence Headquarters, Ottawa, 1942-45; Head, Department of Economics and Political Science, Khaki University of Canada in England, 1945-46; Honorary Fellow, Consular Law Society (New York); Past President, Canadian Branch, The International Law Association; member, Canadian Bar Association; contributing editor on foreign affairs, "Saturday Night," 1957-60; Chairman, Montreal Branch, Canadian Institute International Affairs, 1958-60; member, Canadian Political Science Association; member Canadian Delegation to the 14th General Assembly of the United Nations, 1959-60.

In addition, Mr. Cohen was President, International Law Association (Canadian Branch) 1952-58, Montreal Section 1961-62; Director, Department of External Affairs project Royal Commission on Government Organization, 1961-62; Director, McGill Institute of Air and Space Law, 1962; member, Executive Committee and Executive Council, American Society of International Law; member of National Executive, United Nations Association in Canada; Impartial Chairman and Arbitrator, Montreal Fur Manufacturers Guild and Montreal Fur Workers' Union, 1962; Chairman, Constitutional and International Law Committee, Canadian Bar Association; and Chairman, Minister of Justice Special Committee on Hate Propaganda in Canada, 1965-66.

In 1946 Mr. Cohen married Isle Alexandre Sternberg, of Winnipeg. The couple has one daughter, Joanne. Mr. Cohen's hobbies are golfing and fishing, and he is a member of the Elm Ridge Club, Montefiore Club and the University Club.

Biography:

Margaret Paton Hyndman, QC

Margaret Paton Hyndman, QC, a Toronto lawyer, was appointed a Director of the Canadian Broadcasting Corporation for a three-year term, effective July 15, 1966.

Miss Hyndman, a partner in the Toronto law firm of Wegenast and Hyndman, was born in Palmerston, Ontario. She graduated from Osgoode Hall Law School in 1924 and was called to the Bar of Ontario in January, 1926. In 1938 she was appointed King's Counsel, the second woman KC appointed in the British Empire.

In collaboration with F. W. Wegenast, KC, Miss Hyndman assisted in writing "Canadian Companies," a text book published in 1931 which is still used as a text in most Canadian law schools.

In 1939 Miss Hyndman initiated and organized the Voluntary Registration of Canadian Women for War Services. Through the efforts of thousands of women volunteers throughout Canada they recorded the skills, abilities and willingness to serve of more than a quarter million women and completed three sets of records—one for the Dominion government, one for each province and one for voluntary organizations within each province.

Miss Hyndman, in 1941, proposed to the Ontario Bar Association the formation of a Wartime Legal Services to give free legal aid to persons in the Armed Forces and their dependents. She made the same proposal to the Council of the Canadian Bar Association, which resulted in establishment of such services in most provinces. The Ontario committee, of which Miss Hyndman was chairman until 1946, enlisted the aid of 1,500 lawyers and handled more than 6,000 recorded cases.

Miss Hyndman, who has done legislative work in most provinces of Canada from 1926 to the present time, is the only Canadian woman lawyer ever to appear in the Privy Council. Also, she was called to the Bar of the District of Columbia United States Court to argue one case. Before the Supreme Court of Canada Miss Hyndman represented the Canadian Association of Consumers at her own expense in reference concerning the validity of 63-year-old ban on the manufacture and sale of margarine in Canada. The prohibition was subsequently declared ultra vires of Canadian Parliament.

In 1946 Miss Hyndman was given a citation by General DeGaulle for assistance to the Free French during the Second World War, and, in 1952, was named Woman of the Year by the Canadian Federation of Business and Professional Women's Clubs "for outstanding work in the field of equal pay for equal work" legislation. In 1959 Miss Hyndman was awarded the Silver Medal of the City of Paris, equivalent of the freedom of the city.

For three years Miss Hyndman was President of the International Business and Professional Women, an organization with more than 300,000 members in 23 countries.

Miss Hyndman is a Director of Beatty Bros. Limited and General Steel Wares; a Member of the Advisory Board of Canada Trust and Huron & Erie Mortgage Corp., and a member of several private corporations. She is chairman of the Advisory Council of the Arts of Management Conference which was organized and subsidized by the Toronoto Business and Professional Women's Club. Club memberships include the Toronto Business and Professional Women's Club, the Zonta Club of Toronto and the Toronto Ladies' Club. She is a member of St. Andrew's Presbyterian Church in Toronto.

Biography:

David McArel MacAulay,
C.D., B.A., B.S.W.

Mr. D. M. MacAulay, Dean of Men at Mount Allison University, Sackville, N.B., was appointed to a second three-year term as a Director of the Canadian Broadcasting Corporation, effective July 16, 1966. He was first appointed in July, 1963.

Mr. MacAulay was born at Port Morien, N.S. on December 22, 1912. He was educated at Mount Allison University and the University of Western Ontario, where he obtained his Bachelor of Arts degree.

From 1940 to 1961, Mr. MacAulay served in the canadian Army with the Infantry and the Canadian Intelligence Corps. During the Second World War he saw action from 1940 to 1946, in Britain, Sicily, Italy and Continental Europe.

In 1961, after his retirement from the Canadian Army, Mr. MacAulay graduated from the University of British Columbia School of Social Work and in August of the same year he was appointed Dean of Men at Mount Allison University.

In 1946, Mr. MacAulay married the former Katherine Jean MacBain of Pictou Co., N.S. They have two sons, Daniel and James.

Biography:

Edmund Boyd Osler

Edmund Boyd Osler, of Winnipeg, was appointed a Director of the Canadian Broadcasting Corporation for a three-year term effective December 15, 1964.

Mr. Osler, a director of Osler Hammond and Nanton Ltd., has been associated with the firm since 1945. He is also a director of Fidelity Trust Co., Fidelity Mortgage Co., and Camwood Securities Ltd.

Born in Winnipeg on August 21, 1919, he attended Ravenscourt School, Winnipeg; Appleby College, Oakville, Ont.; Royal Military College, Kingston, and Boeing School of Aeronautics, Oakland, Calif. During the Second World War he served five years as a pilot in the Royal Canadian Air Force and was released in 1945 with the rank of squadron leader.

Mr. Osler has been associated with many educational and welfare agencies in Winnipeg. He is Chairman of the Advisory Board of St. Boniface General Hospital, and is on the board of the Children's Aid Society, of St. Paul's College, and of the Manitoba Association for Equality in Education. He is a former board Member of the Winnipeg Art Gallery, of the Winnipeg Little Theatre and the Community Chest of Great Winnipeg. For a number of years Mr. Osler has been involved with Winnipeg Summer Theatre (Rainbow Stage) and with the Manitoba Theatre Centre.

Mr. Osler is probably best known across Canada for his book about Louis Riel entitled "The Man Who Had to Hang." He is also author of "Light in the Wilderness," published in 1953, and of several short stories and articles.

Mr. Osler is married to the former Jean Stobie of Belleville, Ont., and the couple have three children. He is a member of the Manitoba Club, St. Charles Country Club and the Royal Lake of the Woods Yacht Club. His hobbies are horseback riding and sailing.

Biography:

Dr. Stephanie Potoski,
B.A., B. Ed., M.D.

Dr. Stephanie Potoski, a practising physician in Yorkton, Sask., was appointed a Director of the Canadian Broadcasting Corporation for a three-year term, effective December 15, 1964.

Dr. Potoski, who is in medical practice with her husband, Dr. Peter Potoski, graduated with an M.D. degree from the University of Manitoba in 1946. In 1938 she received a Diploma of Education from the Univessity of Manitoba.

Born In Winnipeg on November 10, 1916, she received her elementary and high school education from the Sister of St. Joseph and at St. Mary's Academy.

Prior to entering medical school, she taught science in high schools at Baldur and Minnedosa in Manitoba. She served in the Canadian Army Medical Corps from 1945 to 1946, and since then has been practising medicine in Yorkton.

Dr. Potoski is a member of the Yorkton School Board and secretary of the Medical Staff of Yorkton Union Hospital. She is an International Honorary member of Beta Sigma Phi Sorority, member of the Lionell's Club in Yorkton and a member of Yorkton City-Centennial Committee.

Dr. Potoski was Canadian Delegate to Rome in 1961 at the World Union Catholic Women. She served as an alderman on Yorkton City Council 1952-1954, was Canadian Vice-President of the Canadian Women's Medical Association in 1949, and is a former President of the Medical Staff of Yorkton Union Hospital.

Dr. Potoski was married in 1946. Her hobbies are reading and travelling.

Biography:

John Gerald Prentice, LL.D.

John G. Prentice, a Vancouver industrialist, was appointed a Director of the Canadian Broadcasting Corporation for a three-year term, effective January 16, 1965.

Mr. Prentice is President and Director of Canadian Forest Products Ltd., and holds the same position with two other organizations, Canfor Ltd., and North Canadian Forest Industries Ltd., Grande Prairie, Alta.

He holds the positions of Vice-President and Director of Consolidated Timber Co. Ltd.; Spring Creek Logging Co. Ltd.; Stave Lake Cedar Ltd.; West Coast Woollen Mills Ltd.; Regent Plywoods Ltd., Toronto, Ont., and Ottawa Valley Lumber Co. Ltd., Montreal, P.Q. In addition, he is a Director of Prince George Pulp and Paper Ltd., Pulp and Paper Research Institute of Canada, and of the Bank of Montreal.

Mr. Prentice was born in Vienna, Austria, in February, 1907. He was educated at the University of Vienna where he graduated with an LL.D degree, and at the Textile Engineering School in Reutlingen, Germany.

Mr. Prentice came to Canada in 1938 and entered the plywood industry. In 1940 he and his associates expanded their interests to take in sawmills and logging companies. Prior to 1938 he was engaged in the textile industry in Austria and Czechoslovakia.

In addition to his business enterprises, Mr. Prentice is interested in the theatre arts. He is president of the Vancouver Theatre Association and President of the Playhouse Theatre Company.

A keen chess player, Mr. Prentice is President of the Chess Federation of Canada; Vice-President, Fédération Internationale des Échecs (F.I.D.E.) and a member of the United States Chess Federation.

Mr. Prentice married the former Eve Schlesinger-Acs in May, 1932, and the couple have two married daughters.

Biography:

André Raynauld
B.A., M.A. (Ind. Rel.) D.Ec.

André Raynauld, who was appointed a director of the Canadian Broadcasting Corporation for a three-year term effective December 15, 1964, has been Director of the Department of Economics in the Faculty of Political and Social Sciences, University of Montreal, since 1958.

An economist by profession, Mr. Raynauld received the 1961 Award of the Salon du Livre du Québec, social science section, for his book "Croissance et structures économiques de la province de Québec".

Mr. Raynauld was born in 1927 at Ste-Anne-de-la-Pocatière and received his B.A. degree from the University of Montreal in 1948. In 1951 he took his Master's degree with honors at the same institution, and after three years at the University of Paris he obtained his Doctor's degree in economics.

As a student he won, among others, a number of scholarships from the Canada Council, the Royal Society of Canada, l'Association pour l'Avancement des Sciences and the Quebec Government.

His published works include "Institutions économiques canadiennes", which will appear this year in an English edition, and "Situation et perspectives de l'enseignement en Haute-Volta", written in collaboration with J. Henripin. He has also been a frequent contributor of articles on economics to Canadian magazines.

Mr. Raynauld is a member of the Conseil Canadien en Recherches Sociales and of the Canadian Institute on Public Affairs, of which he is a past president. He has also served as a conciliator in a number of industrial disputes.

He is the economic adviser to the Royal Commission on Bilingualism and Biculturalism, and is currently directing two research projects for the Commission.

In 1954 he married Michelle Nolin and is the father of four children. Since 1958 his home has been in Outremont, Quebec.

Biography:

Dr. Leonard Roussel,
B.A., M.D.

Dr. Leonard G. Roussel, a specialist in internal medicine and a member of the Faculty of Medicine at University of Ottawa, was appointed a Director of the Canadian Broadcasting Corporation for a three-year term, effective July 15, 1966.

Dr. Roussel was born in Montreal on July 4, 1917, but has lived in Ottawa ever since. He was educated at the LaSalle Academy, and graduated from the University of Ottawa (BA, 1937) magna cum laude.

After graduation he studied medicine at the University of Montreal and, in 1942, was awarded the "Prix de l'Hôpital Ste Justine," and the "Prix Nadeau". He graduated magna cum laude in 1943 and was awarded the "Prix E.P.

Lachapelle" and the "Second Nadeau Internship Award". He was deferred from military service during the Second World War to continue postgraduate studies.

Dr. Roussel started his practice in Ottawa in 1945 and was accepted on the active staff of the Ottawa General Hospital. In 1948, the first year of clinical teaching, he became Lecturer at the new Faculty of Medicine of the University of Ottawa. He was named Assistant Professor in 1953, and Chief of Section (Medicine) for clinical teaching at the Ottawa General Hospital in 1959.

Dr. Roussel is Past President of the Section of Medicine of the Academy of Medicine, past president of the Medical Staff of the Ottawa General Hospital; past chairman of the "Committee on the Utilization of Laboratory Facilities"; Secretary of the Ottawa Convention of the "Association des Médecins de langue française de l'Amérique du Nord"; chairman of the "Committee for the Study of Medical Insurance and Clinical Teaching Units", Chairman of the "Credentials Committee", Chairman of the "Mortality Conference", Medical Director of the "Union du Canada", Insurance co, and Director of l'Association des Médecins de langue française de l'Amérique du Nord.

In 1946, Dr. Roussel married the former Raymonde Daigle of Montreal. The couple have five children. Dr. Roussel takes an active interest in tennis, golf and skiing, and is a member of the Rivermead Golf Club and the Country Club.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 41

TUESDAY, FEBRUARY 14, 1967

WHITE PAPER ON BROADCASTING (1966)

WITNESS:

The Honourable Judy LaMarsh, Secretary of State.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25694—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Basford,	Mr. Johnston,	Mr. Pelletier,
Mr. Béchard,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Brand,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Cowan,	Mr. Macquarrie,	Mr. Richard,
Mr. Fairweather,	Mr. Mather,	Mr. Sherman,
Mr. Forrestall,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	Mr. Stafford—(25).
Mr. Jamieson,	Mr. Nugent,	

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, February 14, 1967.
(63)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day at 9.45 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Fairweather, Hymmen, Jamieson, McCleave, Munro, Prittie, Simard, Stanbury—(9).

In attendance: The honourable Judy LaMarsh, Secretary of State.

The Committee resumed consideration of the White Paper on Broadcasting (1966).

Miss LaMarsh made a statement concerning the broadcasting structure in Canada and also commented on the British broadcasting structure. She also elaborated on the powers of the BBG and on CBC commercial policy.

The Minister was examined on her statement and supplied additional information related to the White Paper.

Agreed,—That the letter from the Composers, Authors and Publishers Association of Canada Limited, together with enclosures, addressed to the Chairman, under date of February 7, 1967, be printed as an Appendix to this day's Minutes of Proceedings and Evidence (*See Appendix 18*).

The examination of the Minister being concluded, the Chairman thanked Miss LaMarsh for her presentation.

At 12.45 p.m., the Committee adjourned to the call of the Chair.

M. Slack,
Clerk of the Committee.

25694—1½

EVIDENCE

(*Recorded by Electronic Apparatus*)

TUESDAY, February 14, 1967.

The CHAIRMAN: Gentlemen our valentine this morning is the hon. Judy LaMarsh, Secretary of State, who has come to elaborate on the White Paper on Broadcasting and to answer your questions. Miss LaMarsh.

Hon. JUDY LAMARSH (*Secretary of State*): Mr. Chairman, I have to apologize this morning for being unilingual, but having returned late last night from another engagement I thought it would be all I could do to get through in one language today.

It is more than just a courtesy to say, Mr. Chairman, that I am happy to be back with the Committee, especially since this signals the Committee's near close of the hearing of witnesses and deliberations on the White Paper. As can be appreciated, we are all anxious to get on with the new broadcasting legislation.

You have now had the White Paper for a couple of months—since early in December—and we hope you will have received all the witnesses that you planned to and will be in a position to make that report. As I advised the Committee earlier, the White Paper—while it is the government's proposals—is not intended to be immutable. While we have been drafting legislation along the lines of the White Paper, it is far from locked up, and we do not intend to do that until we have had an opportunity to see the Committee's deliberations and to study them ourselves.

I would like to thank the members of the Committee and the witnesses, especially those who have come from outside the country. I am sorry the Committee did not have the opportunity to discuss with the Chairman of the Board and the General Manager of the Australian Broadcasting Commission problems similar to those which they discussed with Sir Hugh Greene and Sir Robert Fraser but as they are in the course, now, of preparing legislation of their own, they were unable to get away. I think it was a great help to me to have an opportunity last summer to discuss with those gentlemen in their own country their system of broadcasting and particularly to have two such experienced and widely respected men as Sir Hugh Greene and Sir Robert Fraser can only be of considerable assistance to the Committee.

I do not want to go over the White Paper which is the government's idea of the broadcasting system in Canada and what it would like to see happen. I have no doubt there will be questions you will want to ask me based on some of the proceedings you have heard; but there are some things I would like to say arising from the burden of many of your discussions during the course of these meetings, and that is a very basic point, in that the governement's conclusion as expressed in the White Paper that broadcasting in Canada, should be as it always

has been, looked upon as a single national system made up of two components, the public and the private and that both the structure of the system and the system of regulation over it should be based upon that premise.

That was the conclusion also drawn by the Fowler Advisory Committee on Broadcasting after its very lengthy deliberations and confirmed in its report which you have had an opportunity to study. After hearing submissions by all interested parties, the Canadian Broadcasting Corporation, the Board of Broadcast Governors, the CAB, amongst others, this also was the conclusion arrived at by the cabinet committee and by the government as confirmed in the White Paper which is before you.

It is not a unanimous view, as you will appreciate from listening to the President and members of the Board of the Canadian Broadcasting Corporation. The submissions which they made to you are in line with the submissions which they made to the Fowler Committee and then to the cabinet Committee after hearing the Fowler Report. We gave them what we considered due consideration, but we rejected those views in favour of the one-system approach. Those arguments were considered again after the White Paper was made public. You might say it was on an appeal—certainly we gave them lots of opportunity to discuss it—to the Cabinet and once again, we rejected the two board system: the CBC Board to completely run the CBC and the BBG to be the private broadcasters' board, in effect, to split the system in two. We rejected that view in favour of the policies which are expressed in the White Paper. This point has been debated at some length, I notice, by the evidence before the Committee, so I thought that before answering any questions I might discuss this again for a moment.

I do not think anyone questions that there are two distinct components in the national broadcasting system; a public sector which is, of course, the CBC, financed and operated at public expense and charged with the responsibility to provide a national broadcasting service; on the other side, a private sector composed of hundreds of privately owned radio and TV outlets which are still licensed, authorized and regulated by a public authority, but otherwise are financed and operated by private interests. While the two kinds of service are different, it is the government's view that they are different parts of an over-all structure and that they have to have a constant and continuous interrelationship.

As to the physical structure, there is, I think, a clear interrelationship here, a relationship reflected particularly in policy terms in regard to the question of alternative service.

In this area the physical structure of one part of the system has a definite and practical effect on the structure of the other component. Equally important is the fact that the structure of the national broadcasting service itself, that is the CBC, is made up of both public and private components. For instance, in television, the CBC national networks include 15 stations owned by the Corporation itself and 46 which are private affiliated stations. In radio, the CBC owns 31 outlets and has 79 private ones affiliated.

But affiliation is only part of the picture. The public and private sectors have to compete with the same group for audiences; what one does in the field directly affects the other and they have to compete for advertising revenues, again with a direct inter-relationship between the policies followed by one or the other.

It seems to me it does not take too much thinking through to have demonstrated very clearly that there is a fundamental interrelationship of public and private sector in our national broadcasting system. From that, I think, it flows very clearly that you require one common control or regulatory authority which is able to oversee the whole system and able to affect decisions and regulations which are applicable to both parts of it.

If you accept the argument put forward that the public and private sectors should be treated as separate entities except in terms of general regulations, then there is only one body which could exercise any over-all control over the private sector, over the CBC, and that would be the government or Parliament itself. I think from the very beginning the people and the succeeding Parliaments of Canada rejected the idea that government should become involved in the control of broadcasting. You know there are different kinds of broadcasting and there is a sort of state broadcasting, as there is in some nations, notably France. In this country we long ago rejected that kind of government directed broadcasting. I do not think there is anyone who questions that parliament has the supreme authority over the CBC, but look at what has happened, particularly in the last 12 months. There have been occasions on which parliament responsibly might have wished to exercise some control over the CBC, and you can see very quickly that Parliament by the very nature of a place where people come together to talk, to discuss, simply is not equipped to exercise executive functions over broadcasting or any part of it.

If you accept the arguments which have been made on behalf of the CBC, I think what you will do is to leave broadcasting free of any such legitimate control—control over a broadcasting service, a large part of which still directly involves—and will continue to involve—the private sector. In face of this, the government sees no alternative but to treat the whole system as an interrelated whole and to allocate the over-all supervision of it to an impartial control agency.

In different countries there is a different legislative response to the situation and we could never equate ourselves exactly with the U.K. or Australia or any other country. One of the things that has arisen in this country, where we have a mix of public and private, has been a sort of central regulatory board like the Air Transport Board which is a good example, which has to regulate both sides of the coin—public and private—and has exactly the same responsibility towards both parts.

Well, after having listened to Sir Hugh and Sir Robert, I think, many of you might question why the British experience might not stand in opposition of the points I have tried to make and certainly on the surface it looks like that. But there are some factors which were not brought out, particularly, in the questioning of these two gentlemen.

In the first place, the BBC structure is quite different from our own. There is no private radio whatsoever—at least if you exclude the pirates—and there is no private television such as we know it here although, of course, there are private companies which provide the material for programming on ITA. The BBC owns and operates the whole system—its entire system—and there is no such thing as a privately owned affiliate of the BBC.

Thirdly, and of great significance, obviously, is the fact that the BBC is a completely non-commercial operation. You know, it derives the greater part of its income from licensing and thus there is no competition at all between it and ITA in terms of advertising revenues. In fact, about the only kind of interrelationship there is between the BBC and the ITA—the public and private systems in Britain—lies in the area where they have to compete for audiences from the same public. So, in several respects when you try to compare the British system with the Canadian system, it is a sort of one of these orange-and-apple exercises and you cannot equate one exactly to the other.

However, even in the British system there is a central regulatory authority which has even wider powers over the ITA and the BBC than the White Paper proposes to allocate to the Board of Broadcast Governors. In Britain that authority is with the P.M.G.—the Postmaster General—who is responsible for broadcasting. Under the British law the BBC charter is supplemented by a series of directives from the Postmaster General which cover a wide area of program policy. This is laid down in a series of things. For instance, they say you cannot deal in a partisan way with public affairs, which is one that comes to mind. There are several different things, perhaps, the general manager of the BBC explained to you what some of these directives are. In ITA the same ground is covered but in statute which sets up the ITA.

In the U.K. if there is any argument between the ITA and the BBC, the Postmaster General may resolve this by direction and most important, even though it has never been exercised, the Postmaster General has, by law, an absolute veto power over any program transmission. In some respects they have far wider powers than we contemplate allocating to the BBG, and remember in Britain it is a Minister of the Crown who exercises them. We think it is much better to remove it one step further from a possible charge of partisan politics and put it in the hands of a board so that all such aspects of licensing and program control will be given to an independent authority.

I think the Committee should remember at all times that while the White Paper may appear not as detailed as you would like to have it, it is a White Paper, a discursive account of what we propose, and we cannot put on all the dots and the crossing of the "t's" there. But in this White Paper there seems to be some misunderstanding. Under the proposals in the White Paper the Board of Directors and the management of the CBC will have exactly the same authority over the Corporation as they have had in the past and have in the present. There seems to be some suggestion there would be a dimunition of their responsibilities and that is not the intention. Within the broad standards which are set for the national broadcasting service, by the BBG, the BBG will have no right whatsoever to interfere in or give directions to the CBC board concerning individual programs nor concerning a series of programs. The BBG would not be able to say, "put on Wojeck" or "take it off", or "put on a particular segment of Sunday" or "take it off". The powers the BGC will exercise in respect of the CBC—and this is fundamental—will be exactly the same as those they will be exercising with respect to private broadcasters.

We think this is not only justice but it is alsolutely necessary in order to get the maximum benefit and contribution from the national broadcasting system.

Mr. FAIRWEATHER: May I ask the Minister to repeat that. I am sorry, but this is quite important. Did you say it was fundamental?

Miss LAMARSH: That we believe these powers are fundamental if we are going to achieve the maximum benefit from the national broadcasting system. Obviously, what can happen but should not happen and I do not look for it happening is two publicly appointed boards vying for authority. What ought to happen and what is intended by the legislation to happen is that you will have two agencies which are working together in a new spirit of co-operation and consultation to achieve a strong and healthy broadcasting system, to make a full contribution to Canada.

Now, if I might just touch briefly on one other point, I should like to say a word or two in regard to the statements dealing with the CBC's commercial policy. Again, I think there has been some considerable misunderstanding and, perhaps, unintentional misrepresentation of the government's views on the matter. The idea of setting a percentage of the market as a goal for the CBC is not the paramount thing. The government has not any desire to see the publicly owned broadcasting service become any more commercial and, indeed, our desires are in the opposite direction. We believe that in the area of programming, the first and foremost goal of the CBC should be to produce the kind of programs which the highly creative and skilled staff they have, and their technicians, can turn out and have proven they can turn out.

Where the government differs and the Fowler Committee differs with the management of the CBC, is in our view that high quality programming, especially high quality Canadian programming, does not need to be programming which is not attractive to advertising. It was not just the government, after watching and listening to all the submissions made, it was not just the Fowler Committee but even the Glassco Commission came to the conclusion that the Corporation—and mistakenly—equates advertising with low quality programming. We just do not agree and that is what the White Paper indicates.

The government believes that there are several areas in which the CBC might improve its commercial performance without in any way affecting its program quality. The Fowler Committee was told by some private broadcasters—and I am sure you have heard here and outside the Committee similar comments—that the CBC sales policy lacks something in aggressiveness. Mr. Comor for ACTRA before you dealt with the lack of exchange arrangements with the American TV networks and the failure of the CBC in some cases to package its programs in saleable units. It seems to me, if you look at what the BBC has done, the CBC, I think, might be said not to have taken full advantage of international sales opportunities.

It was with these factors in mind, in other words, the government's belief that the CBC can obtain more revenue in legitimate ways without in any way affecting the program quality—and good quality programs will sell, whatever range of the scale they are in, whether highbrow or lowbrow, it does not matter. If they are good programs other people will want to see them and we are in a sense—particularly with reference to the English speaking part of the CBC—extraordinarily lucky in that we presumably can sell almost anywhere in

the United States, to the U.K. and to Australia and New Zealand. Both of the latter two broadcasting systems are hungry for shows. They buy most of them from the United States and there is no reason why they could not buy a great many more from us—that the government decided on a commercial policy which is set forth in the White Paper and which derives, of course, from the Fowler Report. The CBC should seek to maintain but not to increase its share of the advertising market. The White Paper mentions the specific figure of 25 per cent of the TV market and 4 per cent of the radio market.

Now, nobody is going to expect the CBC to come right on target with 25 per cent, because that is almost impossible. After all, it is only an estimate of what the total market is in any event and the CBC, as it goes along, will probably be on a sliding scale, a little below and a little above, from month to month; but it is the intention of the government that this is a general guide to the level of commercial revenue which it feels the CBC should be able to derive in its expansion. There is no suggestion that 25 per cent is the amount which always the CBC will be expected to share in the commercial market, but there are a number of factors—I think this has been discussed before you—which indicated that that market will be constantly expanding and, therefore, even to remain at the same percentage of the market will mean an increase in revenue for the CBC. We are not going to put in—and this is not a suggestion to put in the broadcasting legislation—the figure of 25 per cent or any other figure. The amount of advertising revenue will have to be estimated, as in the past, when we make the government's recommendations to parliament on the subvention for CBC operations. I do not think the amount of money which the CBC is presently spending in taxes is a great deal of money. I think the Canadian taxpayer obtains for something in the nature of $110 million of tax money, a rather astonishingly good bargain if they would stop to realize how little costs a family—a household—for a year to receive both television and radio. I think most Canadians will be well content with what they get but like every other young nation, I think we feel that what we have is not perfect and we should strive to make it more perfect.

I just tried to touch on these two questions, Mr. Chairman, and I am sure there will be lots of questions from your members and I shall do my best to answer them with candor.

The CHAIRMAN: Thank you, Madam Minister. Mr. Fairweather.

Mr. FAIRWEATHER: I think we have been greatly helped, Mr. Chairman, by the Minister's definite statement about a single national system with two components and I think, because the White Paper was a bit vague on this aspect, that there will be some questions to underline that this is to be the concept. I would like to ask the Minister how she feels that two systems, one of which is largely publicly owned and oriented to public service and the other privately owned and profit motivated, can be run under a single system?

Miss LAMARSH: Mr. Chairman, in the first place, we have to remember that anyone who gets a licence, whether public or private, is using, in a sense, a public utility. It is not and cannot be just a money making proposition. There are a number of broadcasters who have made, or are on the point of making,

money, whether they are in the radio or television end of it, but each of them in obtaining a licence, as you know, is required to provide a part of the service which is potentially one of the most unifying things in the country. We believe that a single board—the BBG—should be in a position to lay down for both the public and private sectors certain requirements and to make them stick to it. Quite obviously, if it is a CBC owned and operated station, it is a little silly to say, "we will either give you a monetary penalty if you do not live up to licensing conditions" or "we will take you off the air". There are other ways in which that can be dealt with in the relationship which is contemplated between the BBG and the CBC.

In the past, the only way in which the BBG has been able to deal with the private station which did not live up to what was expected of it in obtaining a licence, was to put it off the air. Now, this is pretty silly. I know of only one case where this was done—it was done in radio and you probably all know of the B.C. case. To take such a drastic step means to dislocate a very expensive enterprise and is very much like throwing out the baby with the bath water. What the White Paper contemplates is derived from a discussion with private and public broadcasters in which it was thought there should be some gradation in penalty. A monetary penalty which has some teeth in it could be applied if there is a failure to live up to the conditions of the licence. This would get stiffer and will serve as a notice to the shareholders of the company, and also to the public, that if it keeps on there is going to be a dropping of the licence completely.

Now, ITA is in a position where it can, after three warnings, cease the contract with the individual who is providing the programming. Of course, that person does not have the same kind of capital investment as the person in Canada has. We intend, as I think is made clear in the White Paper, that the BBG shall be a pretty tough board hereafter and that it shall lay out in general terms what is expected of an individual station, perhaps not an individual station, of stations within a certain economic group, and that they will be expected to live up to it. If they are going to use the public airways to make a profit then they are going to have to live up to it. I think that the private broadcasters have been coming, rather slowly, to this conclusion over the last year or so.

Mr. FAIRWEATHER: I wonder if the Minister has had a chance to read Bernard Trotter's article in the winter issue of the *Queens Quarterly*.

Miss LAMARSH: No.

Mr. FAIRWEATHER: I admit to cribbing; I mean there is no point denying it, but Mr. Trotter wonders how this junior, CBC Board, if the BBG Board is to set the standards of quality—the Minister mentions they will operate in a spirit of cooperation—would be expected to do such a thing and why would anyone want to be on the CBC board if the BBG board is in effect setting the standards.

Miss LAMARSH: That I suggest, Mr. Chairman, is the same as saying why would anyone want to be on the board of a private television station in Toronto, Ottawa or anywhere else. Obviously because they have an awful lot to do. What is contemplated is that the BBG will lay down certain broad spheres, for instance, the arts and science, religious broadcasting, public affairs, things like

this, and suggest a certain number of hours which have to go into this in consultation with, on the one side the CBC for its programming, on the other side the private stations. It will lay down what it expects to see in prime time; whether it is to be all music, or all public affairs. The mix will be there in general terms. Then, this is what will be given to both the private stations and to the CBC. From there on it is the responsibility of the CBC Board to do exactly what they do now, and it is the responsibility of the boards of private television and radio stations to do exactly what they do now.

Mr. FAIRWEATHER: Does it not mean, Miss LaMarsh, that the CBC board will become, in effect, the management and operational board and the BBG board will be the program centre.

Miss LAMARSH: Not the program centre, except in the broadest of terms. They will not know, or presumably have anything at all to say about what kind of a program is put within that slot. For instance, if something is scheduled on sports, their only concern would be that on day x there is a sports program between the hours of 7 and 11 or not. But it is none of their responsibility as to what kind of a program goes in there; whether it is a judo contest, or whether the Quebec winter games are put on, or whether it is a discussion of fitness. The actual programming is still the responsibility of the CBC. Just as it would be Mr. Jamieson's on his station, or Mr. McDonald on his station or anyone else; they are responsible for what actually goes over the air ways within these general regulations which will be laid down in advance.

Mr. PRITTIE: Would it be helpful if I asked you whether you envisage this as setting down some kind of program mix in percentage terms, light entertainment, public affairs.

Miss LAMARSH: Yes, I think so, and particularly this is what the BBG will have to monitor and watch in the future; it has a relationship particularly of course to the CBC and its budget. For instance, if the BBG notice that on the CBC budget there is an advance of 30 per cent in light entertainment, a reduction of 10 per cent in public affairs, this would be a matter, I think, which the BBG would like to discuss with the CBC in the view that in the over-all national broadcasting system there was a requirement for more concentration on public affairs and less on the light entertainment. This is going to have to be a moving thing; they are going to have to keep discussing it all along.

Mr. FAIRWEATHER: If the BBG is to have full power, to quote the White Paper, "to regulate the constitution and affiliation to all networks public and private", this then means that the BBG will have the final responsibility for distribution of all network programs after they leave the studios of the networks concerned.

Miss LAMARSH: The BBG is responsible for the licensing now, with the DOT.

Mr. FAIRWEATHER: That is only regulatory.

Miss LAMARSH: What you are getting at, I assume, is that the BBG now cannot call in a station afterward and say: "That was a terrible program and we do not want you to do that again". Is that what you mean, as opposed to what is suggested.

Mr. FAIRWEATHER: I was just trying to reinforce your statement, Miss LaMarsh, about the mix.

Miss LAMARSH: I am not sure what you just said.

Mr. FAIRWEATHER: Really the BBG will be responsible for the mix, is the term.

Miss LAMARSH: In general terms, yes.

Mr. FAIRWEATHER: As you say, if you want judo instead of hockey, the CBC board would be able to make that option, but they cannot option for ballet instead of hockey.

Miss LAMARSH: Except when laying down the percentage of general mixes and then discussing it afterwards and looking at the proposals for the future. You will say, "well that is fine, but now you have ballet on five hours this week and you have nothing at all on public affairs for the weeks in the future."

Mr. FAIRWEATHER: This leads me into a comment that I know the president of the CBC and some of us here have been worried about which is that on this prime time, the so called 8-10 p.m. time in the eastern time zone there are very few non-sponsored programs. Would the BBG Board be able to change this to meet this problem?

Miss LAMARSH: Yes; for both parts of the system they will be able to say that there shall not be more than two commercially sponsored programs between those hours, or they could say, they could all be commercially sponsored.

Mr. FAIRWEATHER: If they meet a standard that the BBG lays down.

Miss LAMARSH: That is right.

Mr. FAIRWEATHER: Does the Minister contemplate, or has a decision been made about CATV vis-à-vis the BBG, the cable television.

Miss LAMARSH: Only that we are going to licence this, and be brought within it; cable television is to be under the purview of the BBG, as you know, to receive licences. It is not contemplated that the same kind of instructions would be given, because presumably the various channels that are coming in over the cable are going to be carrying the mix that is already there. There would be certain regulations, I have no doubt; for instance, the regulation that they cannot block out a local station which carries the national program service. There is at least one place in Canada where cable television has done that, and I would think that the BBG would certainly look at the situation where a cable company carries the emanations from station x drops all the advertising slots, and puts in its own.

Mr. FAIRWEATHER: I was interested in what the Minister had to say about reporting to parliament and the relationship. I for one feel that the 1958 act made a mistake in that the CBC has to report to parliament through a minister. I am wondering whether it is contemplated that the BBG will insulate its components. Will we go through the BBG?

Miss LAMARSH: If I were the minister in charge and a question came up on broadcasting a program in the House, I would hope that the Speaker would not

receive such a question, but as long as it was received I would hope that I would be able to say that this is the responsibility of the CBC board and the BBG, period; and not transmit things or act as a post office, as I do at the moment; because really a minister in charge of the CBC at the moment can do very little else but be a post office.

Mr. FAIRWEATHER: The Minister says she hopes; will this be—

Miss LAMARSH: This is what is contemplated, but legislation cannot completely effect this. This is going to have to be a growth of tradition in the House of Commons as well. After all many more questions can be asked in the British House than in ours. The Speaker generally rules them out of order. The Postmaster General in the British house, has far more responsibility than the Secretary of State but almost invariably just refuses to ask questions of the BBC.

Mr. FAIRWEATHER: It is just more difficult to ask questions of any kind in the British House actually, but—

Miss LAMARSH: They have to be on notice, and what not.

Mr. JAMIESON: With Mr. Fairweather's permission I would like to ask the Minister this: Do you see the CBC reporting to parliament annually, or does it, in your view, report to the BBG and we get one report on the single system.

Miss LAMARSH: I think it will report to the BBG, and the five year budget, of course, is what will come before the house.

Mr. FAIRWEATHER: Would the tradition the Minister mentions be a tradition of restraint. Is that a way to describe it?

Miss LAMARSH: Yes, and perhaps one of these days the Canadian house will get back to such a tradition in this and other fields.

Mr. FAIRWEATHER: I am not sure the House was ever back in the field of tradition in respect of broadcasting, was it?

Miss LAMARSH: I do not know; I have read debates back as far as Mr. Nowlan but not prior to that.

Mr. PRITTIE: Mr. Chairman, first I have a comment on the Minister's remarks about the retention of the single system concept. This is something I would like to believe in, but I find a bit of difficulty. I can see making a case for it, when you are talking about CBC and affiliated private stations. The Minister used the word "integrated", but I would like to put this question to her: What is integrated about the CBC and CTV? They are competitors indeed quite hard in some cases.

Miss LAMARSH: Their systems are interrelated in the sense that I used, of competition, the same people for audiences, competition for the same advertisers, for revenue, of sharing part of the national responsibility for broadcasting service.

Mr. PRITTIE: This has come up a few times, a sharing of responsibility for national program service.

Miss LAMARSH: I do not think there has been much sharing up till now, quite frankly. I think we have required the CBC to do it all. We require of the CBC that they give everything to every man and woman in the country. It may be that we are setting a standard impossible to obtain. We want light entertainment; we want information; we want to be lively and controversial; a lot of politicians get mad; a lot of taxpayers get mad if it does get controversial. We want to do everything and up till now we have been quite prepared to let the private system feed whatever junk it wants to us. We sort of sit down in front of a television set and get mesmerized and never turn it off. A lot of people say that this is fulfilling a part of the service; but we believe that there has to be a great deal more balance; that the obligations of private broadcasters have not been fulfilled partly because the Board of Broadcast Governors has not been tough enough with them; partly because, particularly in television which is a very expensive enterprise, there has been a period of transition. It has been begun. Most people were not making money, but were skirting near bankruptcy until a point just a year or so ago, when they began to see a little surplus, at which point they had to dive into colour. But the time at which they are going to make really very considerable profit is close and we feel that now, having got their feet on the ground they are going to be required to take fair responsibility for part of the service, that it is not going to fall entirely on the Canadian Broadcasting Corporation to do that.

Mr. PRITTIE: I would like to believe in the idea of a single system, but I may just have to differ with you as I find it very difficult to accept. The president of the CBC has said that within a very few years allocating a certain amount of money a year you could extend both the CBC television and radio service so that Corporation would have very little need for affiliates. It seems to me that if this trend continues you will have two separate broadcasting systems and I asked the question what was integrated about CBC and CTV. There have been complaints by various people, and it has been voiced by the television columnists, for example that both "W5" and "Sunday" come on and compete for the audience with a public affairs show at the same time. I think we asked Dr. Stewart whether he felt that the BBG should issue any orders that this kind of competition should not take place at the same time. Perhaps they could put on their public affairs program on Sunday night at a different time. He did not feel that this was one of their responsibilities.

Miss LAMARSH: The government does feel it is one of their responsibilities.

Mr. PRITTIE: That is very interesting. Thank you for that point CTV say that they may do something about it themselves anyway.

Miss LAMARSH: I notice there is always much more volunteering when a gun has just been cocked to go to someone's head than there is if there is no gun in sight.

Mr. PRITTIE: I would like to come back to the question that Mr. Fairweather was asking you, and Mr. Jamieson asked a supplementary question, about the relationship of the CBC to parliament. You did say that you hoped that when in the future questions would come up in parliament, you would be able to say, well this is the responsibility of the BBG, and you said, and of the CBC. It seems

to me there is a possibility of a great deal of confusion there. I would think you would have to be able to say, this is the responsibility of the BBG or the CBC.

Miss LAMARSH: It would be, but the BBG will have to deal with the CBC in consultation. If the CBC does not do what the BBG suggests, instructs and counsels, there would be an obvious difficulty. In the past there has been a clash, at least one thing I think we all know about: football games. In essence, and there may be a matter of personality or may not, the CBC did as it chose, notwithstanding directions from the BBG. It is not expected that this would be the situation under the new legislation.

Mr. FAIRWEATHER: We are not in tandem here, Miss LaMarsh, but I noticed yesterday, just on this very point, that the Leader of the Opposition had to pose a question to the Solicitor General about a private television program, it happened to be "W5," because there was no avenue, I suppose it was about the program content—

Miss LAMARSH: There is practically no place now where anyone can have anything to say about private broadcasting. People do not understand that it is a part of the system, because there has been a tendency to break them apart into two separate boards. I know members of the private broadcasting fraternity have sometimes called Dr. Stewart "our Dr. Stewart" and called the BBG "our board" and even at the moment it is not intended to be that, and it certainly is not intended to be in the future. We think that this system has worked extremely well in the transportation field, both air and railway, and this is the kind of response unique to this country that will work.

Mr. PRITTIE: It seems to me, Madam Minister, if the system is to work in parliament the way you want it to work, if questions come up about the CBC as they frequently do, and about CTV as they infrequently do, as yesterday, you will have to be able to say that there is one person or body to whom you refer initially, the BBG, I think.

Miss LAMARSH: I would not be dealing with both the BBG and the CBC in this, and if I could help it I would not refer to either one of them and the question would not come up; but if anybody has any objection I would say "get in touch with the BBG." There is a great conflict between having Parliament which is now responsible, express its will in some way to the CBC in general terms. There is no way that parliament can do this and it is extraordinarily frustrating to every member of parliament and to the house as a whole. No one, I think, wants parliamentarians individually or parliament itself to be able to fiddle around the internal management of the CBC. After all, we hire very competent people, we pay them pretty grudgingly, but we hire them and they come to work for that salary and we should leave them to manage it. On the other hand, I do not think that parliament or parliamentarians feel that it is enough to respond to members of the public who write in about the tax money being used, "well, we do not have anything to do with that. We cannot control it and these people are off some place themselves." Somebody will have to have some control over both systems. It cannot, by the very nature of parliament be exercised by parliament. A minister cannot run the CBC or the private system, and it seems to us this is the only way for an expert board to run it. I mean, run it in this sense, not manage it.

Mr. PRITTIE: May I before I pose my next question, just quote two parts of Mr. Fowler concerning the private sector. First a short paragraph on page 7:

> Because of the enormous power of television and radio, because they are new and do not have the developed traditions of the older media, and because they can, with control and direction, contribute to the national purpose, we believe that the choice was a wise one and should be continued.

That is the single concept. I continue:

> The State should not restrict its participation in broadcasting to the essential grant of frequencies and channels, but should control, supervise, and encourage an excellent performance in the use that broadcasters make of the public assets they have been granted.

on page 230 it says this:

> Virtually no parliamentary direction has been given to the private sector in the past, and we repeat our recommendation that Parliament should set goals for the private sector as well as for the public sector. The Broadcasting Act and the proposed White Paper should recognize the role of the private sector in the Canadian broadcasting system and clearly define its duties.

Miss LAMARSH: We would hope to spell out in the legislation the responsibilities of the BBG over both sectors in the system.

Mr. PRITTIE: I was going to suggest that this is a rather difficult job. With the CBC you are dealing with the unitary whole that has a head office—

Miss LAMARSH: Not really, when you remember how much of the programming is carried by stations which are not owned and operated and which use different amounts of the programming put out by the CBC. They are all individual contracts.

Mr. PRITTIE: I was thinking particularly of the private stations, that have nothing to do with the CBC, in both radio and television, and there will be more of them, I imagine, in the future than there are at the present time. My point was that when you are dealing with the CBC or even the CTV you have a structured whole and you can deal with the head office presumably to find out things, but for the rest of the private sector you have a great many single independent operations and I do not envisage just how the BBG is going to set standards for such a diverse type of operation.

Miss LAMARSH: If you will look at the Fowler Report where it deals with licensing, you will see that it speaks, I think, about licensing almost every station and setting up individual standards for each station. We do not contemplate that this is feasible, but what we do think is that within limits at least of potential income and potential audience, the BBG can lay down certain standards and this would be a condition of licence. Each individual station is going to have its own individual licence and at that time these standards will be laid down there. As an audience grows, or a station grows richer, there is no reason why the requirements on this should not increase and tighten. If it gets poorer you do perhaps not require as much of it, or it just goes out of business.

Mr. PRITTIE: You used the term at one point that you expected the new BBG to be a tough board. This obviously means that it is to be much more than I think the FCC is in the United States which is just a licensing agency. You expect them to follow up program content.

Miss LAMARSH: I do not think the FCC is very effective in the United States. It has been demonstrated not to be and I do not think, with all due respect to the gentlemen who served on it, that the BBG has been very effective up till now. Now, it may be a combination of circumstances: I do not know, but the kind of performance there has been in the past would not be satisfactory under the new legislation.

Mr. PRITTIE: We did question Dr. Stewart about that and he said that he did take into account the fact that in the early days, the private stations were having great financial difficulties.

Miss LAMARSH: That is legitimate too, and I also think that it is quite legitimate that the penalties provided for in the 1958 legislation are just too severe. For instance, suppose you looked at, let us take a considerable transgressor, channel 9 in Toronto. I do not think it has anywhere near lived up to the very fancy proposals it made in the first place. Mind you, everybody else who sought that licence made similarly ridiculous fancy proposals, and I do not suppose anyone in the room would contemplate that they could be lived up to. There is no question that in the last year or so there has been a real attempt, perhaps because the licences have been extended and they are coming up for renewal, to begin to do what they said all those many years ago they would. I do not mean to single out this station particularly as opposed to others, but there is no question that it cost them as awful lot of money to get under way and that the BBG properly took this into consideration; that they should not have put on such onerous restrictions as to mean that no broadcaster could stay in business. On the other hand what happens is, if you listen to all these dreams of glory and nothing materializes and nothing is done about them, this encourages people to go on with the same kind of slipshod performance, filling air time but not, doing what they are supposed to do in assuming their responsibilities. Even in the matter of having and using Canadians, they are just putting on canned imported stuff. As I say, this day is just about over and, aside from the advent of colour, would have been over. It may have given a year or so pause, but I would hope that BBG in the future will be realistic and demand that applicants for licence are realistic about what they can accomplish; not promise everybody pie in the sky, because they will be expected to live up to what they promise, since that will be an undertaking to get the television licence. Once you can start imposing penalties because people have not lived up to it, you will find, I think, a lot more realistic submissions made to the BBG, which I think is healthy. Why should any of us expect that you are going to have twenty four hours a day of broadcasting of all the best of Canadian talent, if there is nobody in the country who can possibly afford it and no one who thinks for a moment that it will take place. It is an exercise in fairy tales.

Mr. PRITTIE: In this connection, I asked Dr. Stewart when he was here whether the BBG would really not renew the licence of a television station,

when its people have millions of dollars invested in it. I know they have the power, but it seems to me very unlikely they would ever exercise it.

Mr. JAMIESON: Excuse me; they have the power only to recommend.

Mr. PRITTIE: Pardon me; you are right. I do not think this would happen, but perhaps it would.

In order to give other members time, Mr. Chairman, I shall just ask one more question.

Miss LAMARSH: I should not think this would ever have to happen because if I had an investment of many millions of dollars I do not think I would ever put myself in the position where the board was likely to do it.

Mr. PRITTIE: Last week I asked Dr. Stewart whether he really needed additional full time members in the BBG and, just for your information, he said that he did not think so unless they simply had staff functions.

Miss LAMARSH: Yes, he said that. I do not know how busy the three members of the Board are now, but when I try to get one of them for one thing or another I realize how busy they are. The Board's functions are going to be, as you can see, much broader. The Board is going to have to assume far more responsibility than it has now, including responsibilities in the ETV field and cable television. I do not know what is going to happen with respect to satellites and even now, they may be old hat; they may be something that will be exposed tomorrow. I would hope that the functions of this communications board will expand and, it seems to me, to put in well qualified people and give them time to learn will require a five-man board. If we can do it with a three-man board there is no reason why we should not, except the BBG is the board which is going to have to, in broad terms, lay down the areas in which there should be programs and while think that the BBG should have a certain expertise, I think it should be representative of the different regions and the different characteristics of the country. Currently we have one Board member who has already retired from the public service, as you know, and he has clearly said that he is not there for a second career of any duration. We have a young, aggressive Vice Chairman and we have a Chairman who at one point at least publicly indicated that he wished to retire and go back to the teaching field. We have very little for continuity's sake and it seems to me that as a representative board for expertise and regional representation three is just too small to operate.

You know, Mr. Fowler thought one would be enough.

An hon. MEMBER: Part time.

Miss LAMARSH: This was the result of the Committee hearings, that one man is enough; Dr. Stewart thinks three are needed. I do not think there is any real magic in whether there are three, five, seven or nine.

Mr. PRITTIE: To be fair to Mr. Fowler, it might be a lot easier for one man to operate than five. I will leave it there, Mr. Chairman. These were just the thoughts and doubts that came to mind with respect to the size of the BBG. In its size and what it does there is still a relation to what the CBC board does.

Miss LAMARSH: I might say that this is one of the things that the cabinet is still considering, where the representative function should be, should it be on the CBC board or the BBG board, or should it be in both places. We are also considering the BBC type of experience where you have strictly regional representation and that is all, even in a country which is much more tightly knit than ours. I would be very much interested to hear what the Committee has to say on this point in particular.

Mr. MCCLEAVE: Madame Minister, my first questions concern the five-year grant system. Would you consider breaking this down into either two or three portions, one for operating, perhaps a second for day to day capital needs and the third one as a separate branch for expansion?

Miss LAMARSH: I sure would like to see a separate branch for expansion. It has been my particular fetish in the year I have been in this responsibility to try and ascertain how much money is needed to extend the service now, or as quickly as is practicable to every place in Canada but I have been unable to arrive at that sum. I think we should not just talk in the first instance about a sum for capital expansion. We should say, here are x dollars. If it is contemplated it will take five years to do it, then service in at least the first language of the area, every place in Canada can be serviced now short of satellites. I think the Canadian taxpayers are entitled to have the service wherever it is possible. Then any subsequent capital expenditure may go into the satellite field, or the field of alternate service or the field of providing alternate language service. I think that the first and most important thing is a big lump for the capital expenditure to extend service to that last 5 or 6 per cent, as far as practicable, in the first language.

Mr. MCCLEAVE: It would take the pressure off yourself as the responsible minister and perhaps off the CBC itself if the different purposes for the money could be clearly shown in Parliament, I think.

Miss LAMARSH: Yes; and I think it is important to do this. I do not suppose any business would run if you mixed up the purposes.

Mr. MCCLEAVE: You would welcome a recommendation by the Committee in that respect.

Miss LAMARSH: Yes.

Mr. MCCLEAVE: Mr. Ouimet in previous representations here has also quarrelled with the bookkeeping aspect, and the loans to the CBC which are actually never repaid by the CBC but are simply paid for out of the grants, the other side of the picture. Do you share his views in that regard?

Miss LAMARSH: I do not think I have read them; I am not certain what his views are. There may be various arguments in this regard, one way or the other. I really think it is a lot of sophistry to worry about money given to the CBC for one thing or another. If you set it up on a five-year basis and make its capital borrowings on the basis of that, then it is independent; it is its own business.

Mr. MCCLEAVE: My second series of questions arise from the White Paper, and deal with the penalty and appeal procedures. At page 14 of the White Paper it states:

The Board of Broadcast Governors will be empowered to inflict monetary penalties for breaches of regulations or failure to comply with the conditions of a licence; in the latter case there will also be power to suspend or revoke a licence. The legislation will also provide for appeals to the courts, on questions of law but not of fact, against any decisions of the Board.

That is the alpha and omega of section 11. This is the point I want to make. Could an option be put in to the effect that, where the individual stations feel that there are triable issues on fact, whether they have breached regulations or failed to comply with conditions, they could be taken into a lower court and tried? That is, the BBG would present the offending station, or the allegedly offending station, with a bill of particulars as to where it thinks the station has failed to comply with the regulations of the law or the conditions of licence. If the station says yes, we do admit this, the BBG could impose a fine; but if the station says "no, we think there is ground for trying an issue here and we would like to bring it to court," then, in the first instance, would the proposed legislation be flexible enough at this point to consider such an approach?

Miss LAMARSH: Yes, it is, Mr. McCleave. I am just trying to think what would happen. I would imagine that every private broadcasting station who got into this would at once launch such an appeal which might drag around through the courts for the next 20 years in search of the facts and, in the meantime, the station could stay on the air. There is no question that there is a certain arbitrariness about a board set up to regulate it—indeed there is even arbitrariness about a judge sitting on a bench and certainly about a minister in an office—but that arbitrariness is tempered with reason, at least. I would not think that it is practicable to have such an appeal on fact.

Mr. MCCLEAVE: Well, that is not an appeal, really.

Miss LAMARSH: Or a trial of the issue of fact. Perhaps you could give us an example.

Mr. MCCLEAVE: Well, in other sections of the White Paper there is the suggestion that the Canadian content, for example, might be measured to fit the economic conditions of the station rather than applied as an over-all percentage across the industry in stations which obviously do not have great amounts of revenue. It is further suggested that the amount of Canadian content for them might be somewhat less than it would be for stations with a great amount of revenue. I could see a station, for example, even quarrelling over the issue of the amount of its gross revenue. I would like to put it on this basis. Would the BBG itself be empowered to set up within its own ranks a tribunal where this issue of fact could be tried? The offending station might very well at least want its day before the BBG to say whether or not it had breached the regulations.

Miss LAMARSH: Well, I would not think, for instance, that the BBG would send them a letter to say that their licence was cancelled because 13 months ago they did not do what they were supposed to between four and six in the afternoon. The BBG would have to have a vastly increased technical staff and a lot more information in a regular way from private stations than they now receive, and I would think that whether in a formal or in an informal way

anyone who is notified that they are on charge, in essence, would be present with counsel and argue this point. There would not be much to argue if they fall within the licence category A, beyond a certain number of people as listeners, and commensurate revenue. You cannot argue too much about whether between six and eight o'clock for four months you had Canadian content, if you had Batman, followed by Bonanza followed by Ed Sullivan. What argument is there?

Mr. McCLEAVE: I can see an arguable ground, for example, where the CBC uses announcers out of Toronto to sort of bridge the gaps between the innings in baseball games and thus apparently make the game played in the Houston Astrodome a Canadian creation perforce.

Miss LAMARSH: I really do not think the CBC is capable of that kind of argument.

Mr. McCLEAVE: They are very clever; you must give them more credit.

In any event, I think I have made my point that there should be a place where they could be heard; where they could fight it out whether or not there was a breach in the regulations.

My third area of questioning deals with educational broadcasting. On page 13 of the White Paper it states:

> The Government is prepared to give immediate consideration to the creation of a new federal organization licensed to operate public service broadcasting facilities.

Madame Minister, does this visualize provincial networks in the educational field?

Miss LAMARSH: I find that question hard to answer. I presume the same program would be going out from certain individual stations, I suppose in that sense it is a network. It is contemplated that the government of Canada, which has federal responsibility, for broadcasting, will provide facilities, something on the order of ITA, in which provincial boards of education, departments of education, will provide the programming for schools, for educational television. It is not contemplated at the moment that any existing agency of government shall do this. A new agency shall be set up.

Mr. McCLEAVE: In this field, again, Madame Minister, we have often been accused in Canada of having several schools of history depending on which province you were in. Would there be any safeguard that a provincial department of education for example, would not be able to use such public facilities for propagandizing?

Miss LAMARSH: This is the most delicate area of ETV, obviously. To go beyond the educational program within the school curriculum into something else, particularly cultural matters, could cause a big argument. We have not, up to the present, at least in our dealings with the provinces had any quarrels about this, but that does not mean that there will be none in the future. This is one reason why it is believed that it should be moved to a separate agency. Unfortunately, we are not going to be in a position, as quickly as we would like to be, to start this. Alberta wants to be on the air in 1967; Ontario very quickly afterwards. While Quebec has not talked much about it of late, I think they hope

to be on pretty soon. We think there is tremendous potential for ETV in this country. I have looked at what has happened in Italy and know it is used very effectively there. I do not think it is used very effectively in places like the United States. I heard something the other day to the effect that if you cut off all educational television now in the United States it would make no difference at all in the school curriculum because it is used as a frill. In a lot of our outlying places it is not going to be used as a frill but as the educational system, so it is of pressing importance that we get on with it. We may have to provide an interim and temporary means of arriving at the facilities, but I think we can do this with agreement—

The CHAIRMAN: I think the Minister understands, too, that this Committee intends to investigate the field of educational broadcasting very thoroughly after making a report following the meetings we have had. It is to be hoped that whatever interim arrangements are made about educational broadcasting they will not be immutable. Within the next few months this Committee hopes to have some suggestions to make. We have not really delved into educational broadcasting at all yet, and one of the reasons has been that we consider this area to be almost as important, if not as important in itself, as all the rest of broadcasting that we have been talking about.

Mr. MCCLEAVE: My second series of questions concerns the minimum standards of public service programming in Canadian content. It seems to me that there is a need for the development of more Canadian talent in the music and dramatic fields rather than in any others. Would it be the proposal of the government to apply some kind of incentives in these fields for the broadcasters?

Miss LAMARSH: It is quite an incentive to hold your licence.

Mr. MCCLEAVE: The stick at one end instead of the carrot at the other.

Miss LAMARSH: Well, it seems to me that the carrot is self-evident. Obviously a program that deals with the problems of Canadian life and reflects the way in which we live is far more interesting to individuals than the way someone lives on Madison Avenue or the Rue de La Paix, I should think.

Mr. MCCLEAVE: Does your program of mix overcome the fearful propect that otherwise we will be deluged by panel discussions to bring about Canadian content?

Mr. PRITTIE: Like Platform.

Mr. MCCLEAVE: No.

Miss LAMARSH: That is a cheap kind of Canadian programming—

Mr. MCCLEAVE: An extensive kind of Canadian programming.

Miss LAMARSH: I beg your pardon.

Mr. MCCLEAVE: An inexpensive kind of Canadian programming.

Miss LAMARSH: Well, you changed the word; I did not.

Mr. MCCLEAVE: Yes, but I gave you the chance to.

Miss LAMARSH: In themselves, they are not very good: there would be a revulsion by the watching public, anyway, if Mr. Jamieson decided to do nothing else but that all day long.

Mr. MCCLEAVE: Well, of course, she would be the chairman of each one so that would add a certain dignity—

Miss LAMARSH: The people of Newfoundland are like any other groups —they like to talk constantly so they may like panels more than anything else.

Mr. MCCLEAVE: My final area of questions to the minister—and I hate to quarrel with the distinguished lady on Valentine's Day, and I am afraid to on the other 364 days in the year—is with respect to a method of co-existence. We were much impressed by the British witnesses and it seems to me that they have found a method of co-existence, which removes a lot of the difficulties that come about perhaps by personality clashes, perhaps otherwise, between the BBG and the CBC. Is it very firm government policy that the White Paper proceed on the basis as set forth here and by the Minister at the start of our discussion today?

Miss LAMARSH: Well, Mr. McCleave, broadcasting in Canada has been studied inexhaustively ever since we had a CBC. Over the last several years Glassco looked into it to some extent; my predecessor had a committee of three wise men and the Fowler Committee went into it at great length and after the Fowler Committee report there was public debate for the best part of a year. Then the White Paper came along and it has been debated and discussed. I would think—

Mr. MCCLEAVE: You have left us out.

Miss LAMARSH: Yes, up to this point. I would think that the government's views are pretty jelled; because, following all this, of course, there was a cabinet committee and then a full cabinet, and I think this system is the result of the cabinet's best judgment of what it would like to see enacted in legislation. There have been some other very attractive ideas put forward which have never been discussed in the various fora I mentioned. There have been some very attractive suggestions from time to time to the effect that we should follow the British system; that is, that we should sell the CBC as such the facilities to a Crown corporation of some kind, so that it can turn into an ITA where people would be given licences to put on programs and that the same outfit which owned the various stations could obviously be the ETV agencies. Now, that seems nice and simple, but, do you think it is likely that a government is going to come in the House of Commons and say it is going to sell the CBC?

Mr. MCCLEAVE: I was not thinking of approaching the problem in Canada on quite the same basis as they had in the United Kingdom with respect to the ownership in the private area but it seemed to me that the witnesses did make out a pretty compelling case for this separation between BBC and ITA, and that it could be translated with perhaps the use of consultative committees which have been set up between the two in Canada.

Miss LAMARSH: There has been at least informal discussion from time to time. The three wise men were the president of the CAB, and—we have this day to day counsel now—Dr. Stewart and Mr. Ouimet—

Mr. McCLEAVE: Madame Minister, I am surprised that they have enlarged the three wise men who already existed to four and I think he should demand some kind of explanation for that.

Miss LAMARSH: I think there is on at least an informal basis an exchange between the President of the CBC and the BBG Chairman and the President of CAB on behalf of the private broadcasters. When I have seen them at broadcasting meetings, they all seemed to be friendly and back-slapping and what not. I have not noticed that behind the scenes they have knives in their hands.

Mr. McCLEAVE: No, but I think Mr. Ouimet's and Dr. Stewart's evidence to the Committee indicated that after the Grey Cup problem that arose a number of years back the consultative committee machinery was evolved to deal with such problems, and that this was a way of achieving co-existence.

Miss LAMARSH: Well, they needed it after that particular example, did they not?

Mr. McCLEAVE: Well, I think that that question could be argued a great deal, but I would ask that the evidence of the British witnesses be re-examined with the view to see whether it would be a workable system in Canada. Thank you.

Mr. JAMIESON: Madame Minister, arising out of what Mr. McCleave said with respect to the British system, it seems to me that not enough attention has been paid to your earlier comment about the powers of the Postmaster General. If I interpret you correctly, and I think I do, what you are suggesting here is that since parliament has been proven to be—I think I used the expression at one point—an inept instrument here, the BBG would in a sense be deputized to serve in the function that parliament itself cannot serve in.

Miss LAMARSH: That is right.

Mr. JAMIESON: I am just wondering whether it would be your intention to spell out in a rather detailed fashion in legislation some of the things you mentioned here in terms of the mix and that kind of thing as a mandate, if you like, to the BBG, or would we merely say to them, run Canadian broadcasting?

Miss LAMARSH: No. I think this has been the difficulty in the past. In effect, the legislation says to the CBC, you run the national broadcasting system, you provide a national broadcasting service, and it is left up to the CBC to decide what that means, from day to day. I think, in common with everyone who has given their opinion, and certainly every critic, that it is incumbent upon the government to spell out in detail the responsibilities of the BBG in this regard over both sectors of the system. I do not think we should put in a schedule and say, here is the mix, by any means; but I think we should say that the BBG is responsible for laying it down in broadcasting.

Mr. JAMIESON: I could not agree more that the present section 10, which is so vague you could drive a horse and cart through it, has been the root of many of our problems. We will have in the legislation then a fairly definite reference to, for instance, responsibility with regard to encouragement of talent and some of these things.

Miss LAMARSH: Yes.

Mr. JAMIESON: Mr. Fairweather used an expression with which I am not sure that I agree, and perhaps I should ask you about it. He said the CBC board would be a junior board. Do you accept that terminology?

Miss LAMARSH: Only in the sense that the board that runs your station is a junior board or whatever it is that runs CTV is a junior board. For instance, the CNR and the CPR boards are junior to the Board of Transport Commissioners. It is a question of degree. I do not think they are very junior, but I took him to mean the board dealing specifically with the CBC.

Mr. PRITTIE: Mr. Jamieson, perhaps you will permit me to ask a supplementary here.

Do you not feel that the board running the public sector is more important than individual private station boards. Are private and public sectors equal or is the public sector in a position of primacy in broadcasting?

Miss LAMARSH: I think they ought to be equal in the obligations placed upon them.

Mr. FAIRWEATHER: We would have to admit, Mr. Chairman, that this is a fundamental change.

Miss LAMARSH: I think, Mr. Fairweather, there has been a change. If you compare the proportion of broadcasting the CBC now occupies as a whole to that of five or ten years ago, you will see that the CBC part is a shrinking proportion of the total field and yet we have put more, and more, and more on its shoulders to perform as a shrinking part of the whole and I believe that this responsibility should be spread equally. There are certain things, I suppose, that in all fairness you cannot require of an individual station, or an individual conglomeration of stations as loosely connected as say CTV is, but you can require a relatively unified whole of the CBC in the field of public programming. Thus there will always be an element of inequality or an element of requiring more of the public sector than there is of the private, but within these practical limits I believe the CBC's obligation and the obligation of the private stations are exactly the same. The airways which they use are exactly the same. They are all owned by the people of Canada.

Mr. PRITTIE: May I ask you another question if Mr. Jamieson does not mind. In the view of the government then, does the CBC occupy a position of any more importance in the total picture of the country than private broadcasting?

Miss LAMARSH: I suppose it necessarily must, because it is so much larger an organization; it can command so much more than an individual station or conglomeration can. It is the only part of the system which will be expected to provide service in alternative languages for instance. I do not know any way in which the BBG could require the private sector to provide alternative language service in the future. I do not see how they could require this.

In a number of different fields the CBC will always bear more burdens than the private sector, I suppose. If that were not the case, then we could pack up the CBC, save a lot of money and let the private sector do it. But we have thrown everything on the public system and allowed private broadcasters really an astonishing unfettered role. I suppose they are less restricted in this country

than they are anywhere else in the world, up to now at least. Even though we expect that the BBG will be much tougher, and the regulations will be tougher, I do not by any means want to suggest that we are going to have a sort of big brother leaning over the shoulder of private broadcasters everywhere. Communications, especially in the field of television even at this moment, are something the impact of which we cannot comprehend. There has never been, at least in this country, and very little anywhere in the world, a study of just what television does to people, why they are watching and what happens to them after they watch and it seems to me incontrovertible that the potentially most powerful force to hold this country together or to tear it apart is in the communications field, particularly in television. I just do not think it is good enough to sit all evening and let the culture of another country pour into our ears and eyes when our own culture could be reinforcing unity in the country. There are lots of people who do not watch CBC, relatively few who cannot, but lots of people who do not and I would hope that they will be able to obtain much the same in unifying forces through the private part of the system hereafter as they had through CBC up till now.

Mr. PRITTIE: But it would be true that you expect this major job, that is, the unifying, to be carried by the CBC, because they are better structured to do it.

Miss LAMARSH: Yes.

Mr. PRITTIE: What the Prime Minister of Canada calls the heart and backbone of the system, is the public element.

Miss LAMARSH: Yes.

Mr. JAMIESON: I was going to leave this question to later, but it seems to fit in to what you just said, Miss LaMarsh. I am wondering if in your very detailed consideration of these matters there has been any inclination to agree to something that I have said many times, and that is the desperate need for research in the whole field of communications, and I am wondering if the government is giving any thought to initiating and giving some leadership in this field. You have, as we all do, made many statements about holding the country together, and so on, and I sometimes wonder whether broadcasting is not blamed more for what it cannot do than for what it will not do. Has any thought been given to research?

Miss LAMARSH: Yes; when I recruited the Vice-Chairman of the BBG for this part of public service from the National Film Board I ascertained that Mr. Juneau was particularly interested in this field and we had long discussions with the Chairman; and the BBG has been charged, as was indicated in the White Paper, with the responsibilities in this field and in fact, in so far as is possible without legislation, directions have already been given to the BBG and they have been doing job specifications and what not, hiring people for this role. You cannot ask three men to sit in an office with a handful of people working for them, mostly clerical, and try to handle this powerful force, without having research and qualified staff. I am very happy to say that they are recruiting and it is getting underway now.

Mr. JAMIESON: You are disposed then, by you I mean the government, to provide the necessary moneys for this kind of thing, as it is a fairly expensive proposition.

Miss LAMARSH: Yes.

Mr. JAMIESON: Just going back to the structure again and the relationship with the CBC board and BBG board, you used the analogy earlier of the air lines and the railways. Now, in those cases both organizations, as I understand it, do in fact report in some way or other to parliament. I am just wondering how an organization like the CBC could be—I think somebody used the words, insulated, entirely from parliament. Do you see them making an annual report to parliament or to government or in any way having a direct relationship?

Miss LAMARSH: I should think the CBC will come back to parliament for money every five years, and the BBG's annual report will contain a section which deals with CBC and I think has already charged them, if I am not mistaken, with making an annual report. The fact that the Board of Transport Commissioners reports annually to parliament and reports on the CNR the CPR and other lines, does not prevent CNR from time to time to appear before a standing committee of the house to deal with other things. One thing it does not deal with, generally speaking—I have not heard much discussion of it—is the budget. People do not go into how much they pay this vice president and how much they pay somebody else who designs the running CN or anything else, and I suppose the closest to programming in the CNR is their program of shrinking back uneconomic service. This certainly has had lots of discussion in the house. So maybe we never will be able to get in the position where nothing that happens in the CBC is mentioned in the house.

Mr. JAMIESON: This brings up a related question again with regard to the role of the CBC board and the financing. I was under the impression that this five year statutory grant, and this is pegged on something that Mr. McCleave said, was more or less an operational grant; that they would be given five years freedom, but I take it that also there is some idea of giving a capital grant for five years as well?

Miss LAMARSH: Yes. Not necessarily for five years. I would like to see a capital expansion grant, which has not anything to do with that particular amendment. Thereafter the capital grant might be dealt with as a special portion of the over-all money, or it might be set aside and specifically designated for expansion which will be alternate service and in some cases buying perhaps from private stations, now affiliated, their whole plant, or providing CBC service where now there is only an affiliated station.

Mr. JAMIESON: On the question of extension of service, do you see the day eventually when in fact we will have a complete public service? We have 46 affiliates at the moment, but if my memory serves me right from what Dr. Stewart said and I believe Mr. Ouimet, those 46 in terms of population represent at the outside only about 15 or 20 per cent of the population. Do you see the CBC eventually replacing most of those 46 with their own facilities?

Miss LAMARSH: I do not know, Mr. Jamieson. My experience so far is that, when the stations first start out they want to take the whole program of the CBC; it is much easier than providing their own, and the richer they get, and the more the area seems to develop a potential of making money, the less they want and often they want to disaffiliate. They encourage the CBC then to come in with an owned and operated station. So I suppose if this pressure continues you will have more owned and operated taking over from the present affiliates. I think the CBC would much prefer to have its own owned and operated stations. Obviously, you know what goes out over it; you do not have this constant discussion all the time of new contracts; but I think that at this stage of development, although we are the biggest broadcasting system in the world, it is completely impractical to think that we could take over those 46 stations and own and operate them.

Mr. JAMIESON: I agree that it is going to take quite a lot. I do suggest to you, and I am sure that this has occurred to you as well, that at this stage we do, however, need to establish the principle. I think it has been very obvious that one of the confused areas between the BBG and the CBC has been the question of who gets what licence where, and it would seem to me that it would be important, either in legislation or accompanying documents to indicate whether the intention is to go toward a full public service or not, because it will get more and more difficult to entangle. I would just like to comment as well, Miss LaMarsh, that of these that are left you are going to find that very few of them will be in the position of wanting to disaffiliate voluntarily, because most of them are now small markets. The kind of thing that you talked about was mostly in the larger centres.

I have just one or two other questions, that I would like to ask. I take it there has been a total rejection of the idea of a licence fee. It was emphasized by Sir Hugh Greene that this was the bedrock of the BBC.

Miss LAMARSH: Yes, in many ways, it is too bad that we gave up the licence fee although I suppose there was nothing that was so flagrantly disregarded in Canadian life as the radio licence fee. Everybody had three or four radios and one licence. But I envy the BBC having that amount of separation, because obviously people do not phone in and say "All the money I spend per year", not realizing that it is $5 that they spend a year on radio and television, "I would like it back, because I did not like 'Sunday', I did not like what Mr. Durgens said about something", although the latter has not occurred, I might say. But I think this gives them a tremendous amount of independence. The public is much more likely to put pressure on its MPs and much more likely to want to control programming if they are paying the shot through their taxes, and it is a much more remote kind of thing to pay through a licence, but I think a licence fee was, as I say, unfair, because so many people cheated on it. I think it was unfair because it was almost impossible to police; there are lots of cases in England where it is improperly policed. It is so unpopular that I doubt whether we can ever reinstate it, and if I could figure out a way to give some sort of a fixed sum, I would do this. This is what the Fowler Committee is trying to do; it tried to find a formula so that the CBC will know what it has to deal with, how much money it will have to spend and will have to cut its cloth accordingly. We cannot

put on a licence fee and say to each household that we can reach, "this will cost you $5, $7 or $20 a year," so we have to work out another formula—the Finance Department has not yet worked this out—which will say for every Canadian you are going to get X dollars or X dollars and a half, and that will be your budget. The CBC seems to like this, as Mr. Ouimet has indicated. The point of disagreement is how much X dollars will be.

Mr. JAMIESON: Well, you are going to have to, under this plan, if you are going to put in a statutory grant for five years, devise some kind of formula?

Miss LAMARSH: I think the CBC will be very happy if they receive a very generous amount of X dollars, and if it is a niggardly one they will not be happy. I strongly suspect that whatever it is—like the allowance you give your wife—it will not be enough.

Mr. JAMIESON: You are so right.

Miss LAMARSH: Perhaps it never is.

Mr. JAMIESON: I hope this does not prove embarrassing, Madame Minister, and if it does by all means ignore it, but I am wondering whether you care to comment on the obvious and widely publicized problems that you seem to be encountering in recruiting people for the public service in terms of broadcasting. In other words, what does it mean? Is there a dearth of good people, or what are the problems? I think it has a bearing on getting decent people on the board of CBC, and so on, as well.

Miss LAMARSH: If by this, Mr. Jamieson you mean that we have been running around asking ten people to serve and that all of them have said no, then I would like to disabuse your mind of that at once. We have not been running around asking people. We have been considering the names, qualifications and quality of people in the country and I do not propose, with respect, Mr. Chairman, to speak of any individuals. In the first place, to head up the CBC, whether you do it as one job or two, in my view is at least the second most difficult job in the country. I think the Prime Minister's job is worse, but I do not think anything else is worse. This great big generous country of 20 million people pays now $40,000, I think it is, to the president. Until a few years ago it paid $20,000 or $22,000. The presidents of the American networks, which are considerably smaller than ours and function in one language, are paid between $100,000 and $200,000 a year. First, when we look inside the private broadcasting business in Canada we find people who have quite a large stake in their businesses as well and if they leave private broadcasting to come into public broadcasting they may have to give up $100,000 to $200,000 worth of assets. This would be a distress sale. I do not suppose that any member of parliament will find it too difficult to understand that there are not many who want to do that. People in business already have a salary twice that amount, and those young and aggressive people feel they owe a responsibility to their families, not just to the public service of Canada which offers much less money and, particularly in a job where the winds of public opinion are going to beat upon them all the time.

The CHAIRMAN: You are making all of us feel guilty.

Miss LAMARSH: Well, I should not. Take a look at the present president; he has already had a couple of heart attacks, and he certainly looks the figure of a strong man. How would you have liked to be in his position the last year or two? I know I would not. You are supposed to run a great big business, the biggest in the country; you are supposed to deal with several thousand employees; you are supposed to have a hypersensitivity to what the public will want before it wants it; the job specifications are very nearly impossible.

Someone may be good in one part of it, but not very good in another. Everybody wants the government to appoint someone who is perfect in each of these facets, who will go away on a happy ship which is contentious but not viciously so, and let the storm subside. I do not know whether that is possible, whether there is such a person or whether, if I could find him or her, he or she would take the job. Why should they? It is all very well for us to say that it is a tremendous challenge; I think the job would be a very exciting and marvellous position. I dare say though that when Mr. Ouimet steps down he will find a terrible vacuum because it is like being in parliament or in government—it is the centre of the vortex.

Mr. JAMIESON: It is like hitting your head against the wall; it is so good when you stop.

Miss LAMARSH: Yes. I hope that the person who takes over the two top jobs will be first-rate and acceptable to Parliament and the country.

Mr. PRITTIE: Have you ever thought of creating a vacancy in Niagara Falls?

Miss LAMARSH: You were listening to television last night.

Mr. PRITTIE: No, I was not as a matter of fact.

Miss LAMARSH: Well, no minister who has ever been associated with the CBC, I am told, even including Mr. Nowlan, the president tells me, has ever been able to escape the desire to get in and do it himself, so I do not apologize for the fact that, although we are all very interested, I do not have, nor do I suppose anyone in a cabinet has, any expertise at all in this field. As to what kind of specifications are required depends on who you are. Some people may say, what we need there is a tough businessman who will make all these long-hairs conform. That sounds great, if you are putting out some sort of package of spaghetti or something, but you are not putting out a package of spaghetti, and if the person or persons who take these jobs do not understand that or are not communicators, then it will be pretty bad, I think.

Mr. JAMIESON: I just have one last question, Mr. Chairman, which concerns the relationship between the CBC and BBG boards, and bears to some extent on what you have just said. To what extent do you see the BBG being involved in the financial affairs of the Corporation? For instance, would the CBC board under the proposed arrangements submit its budgets to BBG for approval, or just what is the dividing line?

Miss LAMARSH: Yes. This is something the CBC does not like a bit. There is no question but that there will have to be very close consultation between the BBG and the CBC on the question of the CBC's budget. If the BBG is going to lay down the broad aspects for programs and say to the CBC, in prime time, you

do not have public service or enough Canadian content, or something of that kind, here is what the regulation wants and here is what you propose, but you are not moving quickly enough into Canadian programs, then the CBC might say, well, this is the amount of money we have been given and we cannot increase it; we cannot put on a musical show or a live play or something of that kind with Canadian talent in this slot because we do not have the money to spend on it; or they might say as they say now, we cannot get an advertiser for it; whereas we can bring in Ed Sullivan, put him in there for half an hour and sell him all the time. The BBG is then obviously going to have to balance the same things the CBC does, and it will not be able to demand something of the CBC which it cannot physically do because of its financial limitation. However, it will be in a position to say to the government, after discussion and consultation, the amount of money which has been allowed to the CBC is insufficient to enable it to meet the goals with which you have charged us with seeing are met; we cannot require more of the programming that you happen to lay down to us in general terms we should because they just cannot afford it. We have looked into it; it cannot be done. That will mean that the government in looking at this will either have to raise more money for the CBC or the program standards will have to be lowered. I think this is quite important.

Some things affect the CBC after their program year is set up. Let me take as an example the labour negotiations this last year. A large part of the increase in wage payments which came about as a result of the negotiations have been absorbed by the CBC out of their budget which was made up at a time when they were not contemplating an increase of this kind. Some portion of it will have to be met by a supplementary estimate in the form of an additional grant, which will be put before the house. At the time the CBC's budgets were prepared, approved and the estimate passed by parliament last year, the CBC had contemplated a rise of something of the order of 4 per cent, if I am not mistaken. In fact, it was quite a bit higher than that; but the immediate impact was right across the service. It made a substantial difference and the CBC simply had to cut back in some places in order to save money to pay out the salaries. Some of the more popular programs which emanated from Toronto, and some other places, I am informed have been cut back for lack of money partly because of the increases in salaries which were paid, and the CBC had to find money here, there and elsewhere to make up the difference.

If the BBG says, when dealing with things like that, "last year you did this much programming and this year the target has expanded," and the CBC says, "well, four or five years ago when we set the amount, we were given so many dollars per person and we were paying so much to the stations to take our programs, so much to Canadian talent and so much, let us say, to CAPAC for music"—as you know most of these payments go out of the country—"but now, look what has happened. Canadian talent is not prepared to work for $250 a week now, they want $2,500; CAPAC does not want"—I have no idea of the amount—"say, 5 cents on a record, they want 25 cents on a record; and we are unable to put on a production where we have to pay for the costumes of a thousand artists—we are not accustomed to this—and so we can only do half as much production this year as we did last year, and next year we will not be able

to do any at all because costs are outrunning our original contemplated budget." BBG then will say, "obviously we cannot require you to do twice as much as last year, but only half as much, if that is all the money there is, or else you will have to find it some place else." The BBG should then go to the government and say, the $25 or $5 a head, or whatever it is, is unrealistic, and under present conditions it will have to be increased. I would think that in a sense the battle of the estimates each year would be fought by the BBG principally on behalf of the CBC.

Mr. JAMIESON: You are saying then that the statutory grant is not really a fixed sum or maximum. It is merely, as I understand what you have just said, a minimum, and it is conceivable that within this period—

Miss LAMARSH: No, it is intended to be a fixed sum for five years to see how that works. If there are disastrous changes of one kind or another I simply cannot contemplate that the CBC will say, "all right, we will close down on Mondays and Tuesdays and run only the other five days of the week." This just cannot happen. They will have to go to the government and say,"what do we do now?" And the government of the day will have to decide whether they do close down for two days and run only five days a week or whether in fact there would have to be more money given to them on the same kind of basis. But the CBC will be in so much better position to be able to say, "well, what we had budgeted for this year has cost us a lot more than we expected so we are going to have to be just a little more careful, maybe we have to put on a panel program once a day all next year to start saving a little money." It gives them some flexibility over five years. They do not have any flexibility now; they have programmed for six months in advance, I think. You have things. They have to cancel things, because they do not have any money; they have run out, at least, so am I informed.

Mr. MUNRO: Mr. Jamieson was talking about this statutory grant plan. Will the BBG initially have something to say about the magnitude of that grant and its components?

Miss LAMARSH: This is hard to say, because "initially" means when the legislation comes into effect. I do not think the first time, probably. The BBG just will not have the information and expertise on CBC to do it the first time.

Mr. MUNRO: Madam Minister, I have also noticed on pages 8 and 9 of the White Paper that the BBG will have the authority to issue licences without consulting the Governor in Council, but there will be an appeal procedure. Then, on page 9, the Governor in Council—and I am not at all critical; I think it is a good thing,—reserves unto himself, even under a toughened BBG as anticipated under this White Paper, considerable powers such as:

> —on the reservation of particular channels and frequencies for the use of the Canadian Broadcasting Corporation; on the assignment of particular channels and frequencies for special purposes; and the eligibility of certain classes of applicants for licences;—

so that the government in a sense is still reserving unto itself great powers in terms of broadcasting in this country, and not placing them in the hands of the BBG.

Miss LAMARSH: The government does not have very great powers in so far as they are exercised at the moment over broadcasting. In the matter of licences, as you know, the BBG makes recommendations to the cabinet. There has only been one case that I know of, where the recommendation was reversed by cabinet, and that was by this administration shortly after it took office in 1963. It was a case where the BBG had recommended the granting of licences to two French stations at the same time in Ottawa. It was decided by the cabinet that this was too much for the body politic to absorb at that time in one area, and that advice was not accepted. Because it has been exercised only once, even this power is to be removed from the government, but there are certain other things which are important in the general part of the politics of the country, as to where there should be stations and service: In city A should the CBC go in or should private broadcasting go in. This is all tied up with how much the government is prepared to recommend as an expenditure. If the government has decided that the CBC should put its full national service into some place and is prepared to put up the money for it, then it can make such a recommendation. I think that in all due respect, this is a necessary requirement. For instance, even at the moment it is, or ought to be the responsibility of the government to say: "we will have service wherever you can provide it." If we are prepared to go to parliament and ask for the money and obtain it from parliament and are prepared to go to the people and take the credit or discredit of raising taxes to get it, then we should be able to say where it goes, so long as it is practical to put it in there. It should not be left to the CBC to decide that they will extend service, primarily because the CBC is likely to be pretty old fashioned about service. They are likely to say, "this is the way we have always done it and if we cannot do it that way, then we will not put any service in; it will be too expensive." The government should be in the position of saying, "put it in, no matter what it costs, because we are going to give the money for it; or find the cheapest way to put it in and we will give you the money for it." This is a thing for which the government of the day has to take credit or discredit, in which it directly represents the people, and I think it has that responsibility and should continue to have it.

Mr. MUNRO: I would think that from what you said and the way this is worded that the government has reserved to itself the power to determine the influence and might of the publicly owned broadcasting system in Canada by its very powers to reserve frequencies and channels, and so on. Getting back again to what Mr. Jamieson referred to, before it becomes too tangled I would think the government, when determining the size of the capital grant for the next few years, will have to have some pretty sound research available to them, and soon, in order to determine the magnitude of this capital grant and what frequences and channels are to be reserved.

Miss LAMarsh: I have been trying to get it for a year now. It is not readily available information. For instance, let me look at some particular places that we hear about in the chamber.

Mr. FAIRWEATHER: Northern Manitoba.

Mill LAMARSH: Northern Manitoba is one. To put service in under the same circumstances as the CBC has done many times in the past would mean that the

cost annually to the Corporation would be at a level twice what that it was prepared to pay. Unless some alternate means of establishing service was to be provided the CBC was not interested; they were just going to resist the pressure, that was all. But it is also part of the public weal, quite apart from broadcasting as such; that people who go into the north to develop it have certain amenities just because people will not go to the north to develop it; their wives will not stay there, unless they have certain amenities, such as broadcasting; and so as a part of public policy the government has to be interested, not just in the broadcasting field, but in the whole over-all field and have to take some responsibility and some action if possible in making such service available.

Let us take another one, the north shore of Quebec. This is another area, something like the northern part of Manitoba, vast with, in many places, no telephone service, not even radio service and wanting television for the same reasons. There are tremendous riches below the soil and in the timber but people these days will not go and stay in a log cabin unless they have a window on the world. So if CBC operates there exactly as it has everywhere else in Canada it is prohibitive in cost. Instead of—now I am just taking these figures—running at $5 a head, it runs $50 a head or something like that. It just cannot be done; it is not fair to the rest of the country. That does not mean that there is not some other way that it can be worked, by changing the pattern of the CBC, perhaps by affiliation with a private outfit, by some sort of co-operation, giving just as good service and within the realm of financial possibility. I think it is the government's responsibility to do what it can to try to help the CBC find the way to provide this service.

Mr MUNRO: I realize, when you talk about areas that are not adequately covered, that this is an important thing, but I was speaking in terms of the size of this capital grant and the way it is made up as determined by government. It is going to give some pretty definite guidelines to the BBG as to what the intention of the government is in the public sector. I am thinking in terms of, say, if you project this capital grant, the implications it has are tremendous in terms of, I suppose, a third network. That will be revealed in any type of capital grant if it is anticipated to be publicly owned. I am thinking of the satellite system; ETV whether it is going to be on a third network or whether it is to be publicly owned and so on would all these things be reflected in the capital grant and if they should be, would this not serve notice on the BBG as to what the government's intention is and would it not indicate to the BBG the limitations under which they must operate—maybe necessarily this is a good thing—in terms of the private sector in terms of frequencies, channels, third networks, and so on.

Miss LAMARSH: Well, starting from ground zero, as it were, from now, contemplating the enactment of the new legislation, if Mr. Ouimet, the management of the CBC, is able to say to me, "to contemplate the kind of coverage that you want it will cost $100 million and can be effected over five years", and the government decides that this is what it wants to do, then that capital pool should be set up at $100 million for that purpose, to be expended over five years. When I talk about that particular pool, I am not discussing it as a part of this five year operating budget which has been discussed at such length. The operating budget, might very well be, as Mr McCleave suggested, broken down in capital expendi-

tures of the kind of thing you talked about, providing different language stations, alternate service of one kind or another, or getting started on the satellite system, this kind of thing, within the over-all operating budget, and that kind of expenditure might be broken down within it. But it certainly will indicate, when it is put forward by the CBC, the BBG and the government will know exactly what the situation is with respect to where they are going.

If on the other hand, the CBC has nothing in it of this kind of a capital nature and the government gives instructions that they take over channel 3 and build a station in Toronto, and there is nothing at all in the budget of the CBC for that five years indicating the tremendous cost of somehow taking over such a station and building it up, obviously some more money will have to come from somewhere, because the government cannot give that direction and require in effect that the CBC cuts back on nearly everything else.

Mr. MUNRO: The only thing that I was somewhat concerned about is that the BBG under this new White Paper, which is wide in powers, does not operate in a vacuum. I suppose your remarks indicate. . .

Miss LAMARSH: It is contemplated that there will be the very closest of consultation.

Mr. MUNRO: So that each year, prior to granting authority for a third network, if that should ever come about, and a satellite system, they will have adequate knowledge of the government's intention under the powers that the government has reserved unto itself, just what the government wants to do in this area before they will take any action on their own.

Miss LAMARSH: The BBG, in the first place, would have to be informed by the government that it was able to receive an application for a third network under this proposed legislation. I do not think they could get into this on their own, and it seems to me that in most of these things where the government reserves these rights, the government would then be communicating with the BBG in the first instance.

Mr. MUNRO: I just wanted to go to one other area, Madam Minister. This is the aspect of the ownership of Canadian facilities and I see that the White Paper anticipates the problem of monopolistic tendencies in the communications field. I am wondering if it is anticipated in the legislation itself that this will be fairly specific in terms of laying down the guidelines to the BBG as to newspaper chains—

Miss LAMARSH: On this particular point, I would very much like to hear what the Committee has to say about it. I am personally not so concerned with one man owning ten stations across the country, as I am concerned about the possible impact of a man in a particular area owning the radio station, the television station and the newspaper, and being able to blanket an area with a particular point of view. As a matter of fact, the economics of television may be such that Canada would be better served by an individual, or a group of individuals owning a number of stations than otherwise. I do not know, but I simply do not have the greatest of faith in my fellow man, that a man or a company can own all means of communication in an area and remain completely non-partisan and independent.

Mr. MUNRO: I agree, I think that area of interlocking ownership between newspapers, and television and radio in one local area is very dangerous indeed. In terms of newspaper chains, which are already quite powerful in this country, owning a lot of newspapers, being allowed—if that is the correct word to use—to also build up a sizeable interest in the communications field is it anticipated by the reference made in the White Paper that this is an area that is going to be looked at, too?

Miss LAMARSH: Yes, this is a thing that has bothered us and we have asked the BBG already to undertake a study of it in advance even of the legislation.

Mr. MUNRO: That study of the BBG was at the initiation of the government.

Miss LAMARSH: Yes, as I said where possible we have asked the BBG to undertake some things which are referred to in the White Paper, even in advance of legislation; where we did not need legislation for it, even though it will be subsequently spelled out in it.

Mr. MUNRO: I see what you mean. It is hoped that this study will be completed as a basis for a projected legislation? Is that what you mean?

Miss LAMARSH: Yes, Mr. Munro. It does not necessarily need to be completed before the passing of this legislation. I think that wi'l be a continuing study. If you had a man who acquired stations in the way that a former Canadian has acquired a lot of newspaper outlets around the country, we might want to watch very carefully to see what he does with it, just as a former Canadian newspaper magnate has, as I understand it, pretty well left each newspaper to operate as it had in the past in its own community, without trying to impose a spiderlike unanimity. I should think that that would be all right, but if you get some broadcasting czar—suppose Mr. Jamieson owned 30 stations in the country and decided on some nefarious scheme to get out and sell a particular point of view in the country.

Mr. JAMIESON: Any time I do that it would be in line with what you were thinking.

Miss LAMARSH: Because the impact of television is so very great, you would have the rise of any kind of ideology which would do violence to Canadian views generally. If I want to take over this country, I cannot imagine a better way to do it than by taking over the television stations, and have them hand out the type of propaganda I want to have drummed into people's ears and eyes, and I think that the BBG and the parliament of Canada have to be continually alert to this.

Mr. FAIRWEATHER: That seems to be the point that disturbs me about the number of people who want parliament or its members to control the content of broadcasting. They seem to miss this each time; that the ultimate result of this complaint is that we in effect control the news; it astounds me that in this stage of world history that implication is not clear to people.

Miss LAMARSH: How terrifying that then parliament abdicates to government and pretty soon you have a government that will never be thrown out because it is self-perpetuating.

Mr. MUNRO: Is it fair to take it from your remarks that you would look for opinions and views of this Committee on whether something specific in terms of concentration of ownership in the radio and television should come forth in terms of our reference?

Miss LAMARSH: I would like to know what you think about it specifically. Yes, I certainly would. MPs are perhaps more sensitive to the effect of the type of communication in their own constituencies on their own people and they probably are at the moment the most expert observers of what can happen in various combinations of ownership. If the Committee feels like commenting on this it certainly would be welcomed.

Mr. MUNRO: Just one last question; Madam Minister, you referred to the fact that some provinces now have indicated their interest in getting into programming in the ETV field. Does this elevate in terms of priority the decision on the part of the government on whether ultra high frequencies should be in a sense in the public sector, owned by the public sector, and I think you mentioned, leased out to these different agencies in provinces interested in getting in the educational television something similar to ITA in England?

Miss LAMARSH: There is no question, if ETV is going to be entered into by every province in Canada, that there just are not enough channels on VHF that are not already assigned, to have them do that, so that it is perfectly obvious, I think that ETV will develop through ultra high frequencies as these become available, and particularly the fact that most sets need an adapter in order to get the UHF signal, so that school sets and things of this kind can be arranged with the adapter relatively easily, instead of trying to get the public to do it in one fell swoop. But we looked into this very carefully, and particularly in light of Alberta's state of readiness, which is very advanced, and the fact that in the Edmonton area there are two unassigned channels, for which there has been no application, and the fact that we think that it can potentially be so important in educating our people, especially in far flung areas, neither the cabinet, nor by its indication the BBG confined the possibility of ETV to UHF channels. I would think, as of this point, that the first channel for ETV in Alberta is likely to be on VHF. That does not mean that there will not be a requirement in the future that it may have to be given up and transferred to UHF; but this would not be the immediate future, because these two channels in Alberta have been unassigned for quite a long time.

Mr. MUNRO: Who would own this physical facility in Alberta.

Miss LAMARSH: Ultimately the federal government will. In this sense it will be like ITA, the physical properties will be owned by the federal government in its role of broadcasting and what goes out over the air will be the responsibility of the provincial government, but, as I said, it will probably be necessary, because of the slowness of the parliamentary system, to have some sort of an interim means of effecting this and we have even looked at such a thing, as we are now discussing, the possibility of setting up a private corporation under the Companies Act in order to do this and I expect to be before parliament within the next six months, as we have resolved this, with a request for money to set up whatever agency is going to control the physical part of it. We have had an offer from Alberta to build it themselves, as long as we undertake to take it over

afterwards and pay them for their investment. This may be what happens, I do not know; simply because to get it started the discussion of broadcasting has taken longer than it was thought and the demand is over-running our ability to deal with it in a legislative way.

Mr. MUNRO: I am very glad the federal government is going to reserve the ownership of the facilities. Is it your feeling that, although the great bulk of the programming in the ETV field will be turned over to the provinces, for their own special purposes, it is anticipated in the terms of reference in the legislation that the federal government will have some residual power to communicate in this medium?

Miss LAMARSH: You mean, can I go on every night and tell everybody how great the government is?

Mr. MUNRO: No, I am thinking of some of the federal programs in the educational field; for instance, I think in the last federal provincial conference there was a degree of unanimity among the provinces on adult education in terms of retraining and on the role of the federal government, with its knowledge in this area, to a greater extent that the provinces were prepared to concede prior thereto. This seems to me a very important area. Would the federal government have reserved unto itself a certain power.

Miss LAMARSH: Adult education has been touched on from time to time by the provincial authorities. As yet no decision has been taken on it because it is very easy to put on readings of Nietzsche every night for six months and say that this is education, but it might be propaganda of a rather dangerous type. At the beginning at least it is expected that ETV will be in daytime hours to schools.

Mr. MUNRO: I was just wondering if you saw any merit, as far as the future is concerned, with the knowledge of all the programs we have in the cultural educational area, whether there should be some residual—

Miss LAMARSH: I would be very happy, as your Chairman says you are going to go into this in depth, to have your comments; it might be very interesting to see what happens.

Mr. MUNRO: Thank you.

Miss LAMARSH: I like to tell you, when I went to Italy and went to see the RAI service and as far as I know there is nothing like this in the United States. The RAI is the television authority owned by the Italian people and they have a fully developed educational system, which, I think, can be copied with tremendous assistance to this country.

Mr. JAMIESON: Is that Telescuola?

Miss LAMARSH: Yes, Telescuola. The south, as you know is the poorest part of Italy and they just have not the teachers to send there, and they do not have facilities to build schools. What they have done in every little town of any size is that they have taken over a room or a couple of rooms in a town hall or some other building and they run actual schools there with a television set in front of them and they have developed books and what not to go with these, and they have a teacher there who gives assistance, but the actual teaching is done on the

screen. And this is not just someone on television, sitting and talking to the kids, but in fact they have classes and the youngsters are taken out of the Italian school system and actually go to school on Telescuola for, I think, two years at a time, and the youngsters must graduate from there just as from a regular school and it has been enormously successful. This develops some very special teachers, highly visual, far more imaginative than most teachers are but it is a way in which we could provide, I think, so many of our people in the far north, or relatively unreachable areas, with not just a sort of warm body in front of a classroom, but a really good teacher to bring up the level of education all across the country.

Mr. JAMIESON: The minister probably knows it is directed by a woman, Madame Puglesi, I think her name is. We could do a lot worse than to bring her here to talk to us.

Miss LAMARSH: I did not talk to her, but I did talk to several of the people there and to the responsible individuals in RAI, because I had understood that they had some special way in which members of parliament could handle—

An hon. MEMBER: Telescuola?

Miss LAMARSH: No, outside of Telescuola. How they handle television itself at RAI, and I found out that it is really not as comprehensive as I had thought. It really deals with political broadcasts which are laid down in advance by a Committee of the house, and in a sense RAI is far more independent of politics than is generally conceded. They run almost all day long with Telescuola, and their television as we know it is confined pretty well to the evening.

Mr. MUNRO: I suppose really the concern I have in ETV in terms of the programming being exclusively turned over to the provinces is that it would sort of separate ETV from the general mandate terms the CBC operates under, for instance, to build up the unity of the country and so on. This type of programming would be beamed mainly to the young and at that age it seems they should be aware of at least the federal entity in the country. In terms of serving this type of general mandate, the ETV seems worthy of consideration, although I know you would be on touchy constitutional grounds, and that there might be resistance from the province; at least the federal government should reserve unto itself some programming time, even if it is very minor.

Miss LAMARSH: As I say, initially this will only be during school hours.

Mr. PRITTIE: Mr. Chairman, we are really on a subject that is quite apart from what we need to be concerned with—

The CHAIRMAN: I think so, Mr. Prittie. I think perhaps that Mr. Munro was expressing a concern that many of us have, namely, that the government should not race ahead in its relationships with the provinces in educational broadcasting in such a way that this Committee will not have an opportunity to express itself effectively in this area. I am sure that many of us share the concern expressed by Mr. Munro, that the insulation from government, which broadcasting has enjoyed in this country and which the White Paper attempts to perpetuate, is not destroyed by the federal government simply handing over on a platter to any other government complete control over the programming of any facilities

regardless of whether or not they are owned by the federal government. I think many of us see a great danger in the possibility of any government being given a blank cheque for the use of broadcasting facilities. I guess we should not be getting so deeply into the question of educational television. I think it is a concern which perhaps is validly expressed now that this Committee considers educational broadcasting to be of the greatest significance and importance. We would not want to leave the impression, not having dealt with it very much up until now, that we are not interested in advising parliament about it.

Miss LAMARSH: Yes, I know. I read your speech over the week end.

Mr. FAIRWEATHER: The blank cheques and platters that you speak of have been covered by the constitution of Canada?

The CHAIRMAN: Well, we trust so, but we would hope that no intergovernmental deals are made which would be contrary to the traditions of broadcasting in Canada. I do not think under the present Minister or the present government that would happen, but this is as good an opportunity to make our feelings clear that we will have something to say on the subject.

Mr. JAMIESON: Mr. Chairman, once you define what you mean by educational television, you are going a long way towards solving some of the things.

The CHAIRMAN: Well, we would be happy to have someone even attempt to make a modern definition of education; that illustrates the problem of dealing with this area. Education has become so all inclusive, I think.

Mr. HYMMEN: I will be very brief. You discussed your role as Secretary of State in comparison to the role of the Postmaster General in Britain and the new role of the BBG in determining minimum standards of programming, I presume, with the power of veto, if that should become necessary. Now, I think we all have a high regard for Dr. Stewart and the members of the Board of Broadcast Governors; but do you think that the BBG in their new role should increase their public relations in order to acquaint the public with the guidelines to try to keep the note of contention we have had in parliament out of parliament?

Miss LAMARSH: Well, it is always a question of whether you want to have more PR about things or whether you ought to do things in such a way that they speak for themselves. I think it is which way you are oriented.

Mr. HYMMEN: Mr. McCleave got on to Canadian content, which you had not mentioned in your original remarks, and I was interested, of course, because either Sir Hugh Greene or Sir Robert Fraser mentioned that there was no legislation as far as British content is concerned. Of course, our problem is due to the proximity of television and radio from the United States. Do you think that the Board of Broadcast Governors should or should not be given the power to vary Canadian content in certain areas, or under certain conditions?

Miss LAMARSH: I think these will have to be part of the broad regulations that are laid down with respect to licences and what not. The BBG certainly is going to be responsible for this, and I think also that when they talk of Canadian content in the future, then that is what they ought to mean, and not say that the World Series or the Rose Bowl game, for instance, are somehow Canadian content. It ought to be simplified. It has got almost ridiculous in its complexity now.

Mr. HYMMEN: I have another question. You mentioned in your remarks that the public sector of the CBC should compete with the private sector which is pretty elementary. Would you agree that this can be difficult? I ask this question for two reasons; first, there has been criticism of the programming on the private network and yet I understand that on two Sunday night programs,—"Sunday" and "W5"—the public sector which operates with budgets limited only to funds that are voted by parliament, spends about three or four times as much as the other. Secondly, I understand that the private network had a program last season—a very well known American program which I could mention—and that this season the CBC has it in an area of competition where there was literally no competition. I am just wondering whether you would agree that this can cause problems in providing the popular programs—

Miss LAMARSH: Yes, I think it can. I was reminded last night by someone about the experiment that took place in the United States where the "Bridge On the River Kwai" was put on at a prime time. I think it had something like 90 per cent of all the listeners in the United States; it just swamped everybody on the other side. I imagine that if you were able to run first run movies through your station all day long you would clobber everybody else in the area. But these airways are not there just for people to put on movies. They are there for a number of purposes, and that is why we give out licences. Things have to be done; obligations have to be assumed. It is all very well that a householder might want to stop and watch a movie in the morning, or that someone comes home at lunch and wants to watch a movie, or that someone sick wants to watch one all afternoon; but that is not balanced programming, and that is not what we mean by it. It is difficult. Yes, it is difficult to have good programming which people want to watch and which advertisers want to buy time for. If it were not difficult we would not have to pay anything like we do now, and we would not have to be sitting here spending the time all of us expect to spend on this either. Nobody was this concerned when it was radio, because radio does not have nearly the impact that television has. Radio has become a very different kind of thing, Canadian radio anyway, and I think it is probably better now than American radio. On the border points it seems to be that more Canadian radio is listened to than American. It has become a regional service and the radio station grows in success in direct proportion to the way in which it serves its own local area. This does not seem to be, at least the present trend in television. It seems to be to serve the whole country.

Mr. HYMMEN: We mentioned the lack of co-operation between the CBC and CTV. The New Year's Eve flame lighting ceremony, to which I attach a certain significance, was on CBC but it was not on the private network station which I tuned in on unless it happened to be broadcast later. With respect to the important national events which are going on in the Centennial Year, I trust there will be some co-operation between the two networks. My question is—

Miss LAMARSH: I expect that the CBC paid for those wonderful fireworks. They were not too happy to have—

Mr. HYMMEN: Are exclusive rights for any particular reason given to the CBC on a national basis—

Miss LAMARSH: The CBC does have some exclusive rights. It bought the rights to the Quebec Winter Games and I think the world rights to the Pan-American games in some cases, and other things, we have put on certain programs, for instance, Centennial and what not, and these are covered by the CBC by its own independent decision, although admittedly people in the Centennial and the CBC are working together on this. The CBC has allocated certain time and CTV has not. It is not anything in which I can take any responsibility. I should think just as a matter of interest to their watchers that they would cover these unique Canadian events; but we do not have a committee of Centennial and CTV so far as I know; or private stations, which arrange for the location of their cameras and things of that kind. The CBC, because it is pub'ic, is much more alert to this than CTV, but this should not be the case and we hope it will not continue to be.

Mr. HYMMEN: There are certain areas in the country which will not be covered by CBC, and that was my concern.

Mr. JAMIESON: Just for Mr. Hymmen's information, I do not think all the CTV networks carried the flame lighting ceremony at the same time, but I know a number of stations did; it was carried in Newfoundland and I think in some other areas. Incidentally, while I have the Chairman's eye and apropos of nothing other than the fact that we have been critical of certain CBC programs, I would just like to commend the corporation for an excellent series Horizon 1967. The one they did on Ottawa and parliament the other night was a first class effort, I think.

Mr. HYMMEN: Mr. Chairman, I have one final question. I ask this very general question because this Committee is the Committee on Broadcasting, Films and Assistance to the Arts and you, of course, are the Minister responsible for the arts. A recent presentation by ACTRA mentioned the concern as to the growth and development of the artistic segment in our country. We all know, of course, that the BBC orchestra has received international recognition and in reading the White Paper or the report from Australia I notice that the Australian musical organization has received some national recognition as far as the country is concerned. We are developing in Ottawa a centre for the performing arts. My question is, do you think, as I do, that the CBC has a role nationally in developing our national culture, national theatre, national ballet and national symphony with the co-operation of the Canada Council in order to—

Miss LAMARSH: The National Arts Centre Trustees have not yet met because of the illness of the chairman but I have seen some of the projections and I know that they are looking to the CBC to co-operate to the tune of half a million dollars in the erection of a national symphony orchestra here. The CBC was once famous for its symphony orchestra on radio, which it has not had in the last few years. I would hope that this kind of co-operation can come about. I think the CBC has done itself and the arts a great service, for instance, in the filming of the National Ballet's "Romeo and Juliet". I am only sorry it was not in colour or it might have sold more widely. I understand just recently they made arrangements to televise the new production of "Swan Lake" that the National Ballet is preparing as a Centennial project, which presumably will be done in colour and can be sold quite widely. I do not think they have ever done

anything on Feux-Follets and perhaps they will one of these days. This is one way in which our cultural institutions can become better known outside the country. These sort of one-shotters, I think, are highly saleable in the same way that the National Film Board things are to other countries.

Mr. JAMIESON: I understand that an American sale has been arranged for Henry V.

Miss LAMARSH: Well, I am glad. From what I have read on the cost of it they are going to need a few sales to help pay for it.

The CHAIRMAN: Madame Minister, the Committee might be interested in some observations from you on the future role of this Committee in terms of broadcasting, in the context of the legislation as it is projected. I think all of us are most anxious to avoid the role of a Committee of censors, labour conciliators or herd riders on the CBC. It would seem from the kind of parliamentary role in relation to the CBC now contemplated, that this should not be expected of this Committee in the future. Would you like to make any observations on what you see as the role of this Committee in terms of its broadcasting jurisdiction in the future?

Miss LAMARSH: Apart from anything else, I think the discussion of things like ETV, the possibility of getting into satellites, and the process of keeping the members informed of what is happening in this field are things which certainly can keep the Committee busy. There are lots of other things in the arts that can be sent to the Committee, other than broadcasting itself. I would hope that we do not have too many occasions where the Committee is called into a session to deal with such things as "Seven Days", although it may be helpful to air problems such as that, and I think the Committee should be commended for the restraint it used in its report. It could have done a great deal of harm to broadcasting, I think, and to the role of Parliament and to the role of the CBC in particular had it not used that restraint. I certainly felt that the members were to be congratulated then.

Every problem is not solved, but I think many of them, having been exposed to the air, have been cleaned up to some degree as a result of those Committee hearings. I would hope that the CBC can develop the same kind of relationship as that developed by the managing director of the BBC where I am informed, there is a constant flow up and down of ideas; a constant discussion before things go on the air at all levels so that the best kind of judgment can be used. It may be that because this Corporation is so very large, geographically so sprawled, there does not seem to me to be any kind of two-way flow at all. There is a great organizational chart and everyone knows what he is to tell the little guy underneath him, but there does not seem to be any way to get up what the people underneath think. What has happened is that there are frequent explosions. I hope we can get something like the little thing in the top of the pressure cooker; that we can get the jiggle going and keep jiggling it. So long as it jiggles there is lots of steam coming up and moisture going down, but once it stops jiggling, it is going to blow. Having blown, perhaps we are all better informed about the broadcasting facilities in the country, anyway.

The CHAIRMAN: In the context of the new proposed legislation, we assume that we will not have that kind of experience in the future. It has been suggested

by Mr. Fairweather, I think, that there will be a different relationship between Parliament and the CBC, and you have suggested that parliamentarians will have to have a new attitude and develop a new tradition, if you like of "hands off" broadcasting.

Miss LAMARSH: Well, I heartily agree, as everyone else, has with the President, that it must be insupportable every six months to have another group looking down your gullet. I do not know how they can be expected to carry on if that continues.

The CHAIRMAN: I am wondering, Madame Minister, whether the mere existence of a Committee with a name such as ours will contribute to the perpetuation of that false notion in the minds of parliamentarians as well as the public that Parliament somehow supervises broadcasting personally and, whether this Committee, if we have the kind of legislation that you have described, should not simply be a committee on the arts; in some way, indicate that Parliament is not constantly investigating the field of broadcasting.

Miss LAMARSH: That is an interesting suggestion.

Mr. PRITTIE: Mr. Chairman, is there time for one question? I am sorry to come in again as it is getting late, but one question has not been answered satisfactorily to my mind. Mr. Fairweather mentioned the article in the Queen's Quarterly by Bernard Trotter which is quite critical of the White Paper and I was questioning you on one of the points he suggested about the equality or inequality of the public and private sectors. Perhaps I could sum it up by referring to the Fowler report again at page 12. He is speaking in the previous paragraph about the position of the private broadcasters in the country, and then he says:

> While the private broadcasters are a part of the system, and while their rights and interests should have all legitimate protection, in cases of fundamental conflict between the public and private sectors the interests of the CBC must prevail. The simple fact—the crucial fact—which must be clearly understood is that the CBC is the *essential* element of the Canadian broadcasting system and the most important single instrument available for the development and maintenance of the unity of Canada.

This is really the question I was trying to pose earlier. Is the government's view still that the CBC is the base of the Canadian broadcasting?

Miss LAMARSH: Yes it is the chief instrument for carrying out what continuing governments think broadcasting services should provide.

Mr. PRITTIE: The chief instrument.

Miss LAMARSH: Yes.

The CHAIRMAN: If there are no other questions members of the Committee will recall that it was expected that the Composers, Authors and Publishers Association of Canada would have a representative appear before the Committee a week or so ago. This was not possible because of the illness of the representative who was to appear. However, I have received a letter and some material from the assistant general manager of CAPAC and this has been distributed to

members of the Committee. Is it the wish of the Committee that this letter and the attached material form part of the record of the Committee as an appendix?

Some hon. MEMBERS: Agreed.

Mr. JAMIESON: I wonder if the Madame Secretary would permit a question which is not directly related to the White Paper, although it has to do with CAPAC? I think that everyone pretty well agrees that the copyright laws are a complete shambles at the present time, and so on, and I believe this is one of your many responsibilities.

Miss LAMARSH: No.

Mr. JAMIESON: It does not come under Secretary of State, then.

Miss LAMARSH: No, I drew the longest private member's public bill in history when I produced a copyright act as a private member, but this is part of the responsibility which the Registrar General now has.

Mr. JAMIESON: Are you in a position to give us an indication of whether there is any intention of trying to clean this up through a commission or in some other way?

Miss LAMARSH: There was a royal commission—the most brilliant ever appointed, I am told by some of its members.

Mr. JAMIESON: I think that was in 1957.

Miss LAMARSH: There was no action. I am afraid you would have to ask the Prime Minister that.

The CHAIRMAN: Madame Minister, may I thank you on behalf of the Committee for coming here so early this morning after getting back into the city so late last night, with your cold and all, and giving us the benefit of your frank answers to our questions. We hope we will be able to contribute something to Parliament's consideration of the White Paper soon, and that the new legislation, whatever it may be, will free not only broadcasting but Parliament and this Committee from some of the more ill-suited experiences we have all had during the last few years. We hope that we will be constructive.

Miss LAMARSH: There is one more thing you might like to think about. It is a small item, but it has given me some concern. You might consider whether you think members of Parliament should be allowed to be paid for appearances on public, as well as on private, television and radio.

The CHAIRMAN: We were told by the BBC that not only were they permitted to be paid there, but the BBC insisted, as a matter of integrity, that they be paid like everyone else.

Miss LAMARSH: The Committee might very well express some views on that.

The CHAIRMAN: I did not hear any observations by members of the Committee in approval or disapproval of that, but perhaps later on they will express themselves.

Miss LAMARSH: I think the original intention was that there could not be any conflict of interest; you could not have all the government members on if you were trying to persuade the government to do something. This is pretty

far-fetched and I do not think it is ever possible. It always seems to me that it is pretty silly that a member of parliament can go and sit on a panel show on the CTV and get paid, and do just as much work and put in just as much effort on CBC and cannot get paid.

Mr. PRITTIE: They do not pay on "Platform".

Mr. JAMIESON: Look at all the exposure you get.

The CHAIRMAN: That is why we do not complain.

Miss LAMARSH: Well, they ought to.

The CHAIRMAN: That is why; it is one of those cheap programs. Well, may I thank members of the Committee for their patience and energy during this series of hearings. There will be a slight interruption while we pause for the Steering Committee to consider a draft report. We will resume our meetings just as soon as the Steering Committee feels it can present a draft report to you.

Appendix "18"

COMPOSERS AUTHORS AND PUBLISHERS

ASSOCIATION OF CANADA LIMITED

Head Office: 1263 Bay Street, Toronto 5, Ont.

February 7, 1967.

Robert Stanbury, Esq., M. P.,
Chairman, The Committee on Broadcasting,
Parliament Buildings,
Ottawa, Ontario.

Dear Mr. Stanbury:

Further to my telegram of Monday, January 30th, 1967 I again express my regrets that illness forced the cancellation of my appearance before your Committee. I was confined to bed the week of January 30th and have only just returned to the office.

The main concern of Composers Authors and Publishers Association of Canada Limited is the apparent disregard shown to the creative element in the Canadian population. I have attached hereto Zerox copies of pages 17, 18 and 19 of the Notice of Public Hearing of the Board of Broadcast Governors commencing Tuesday, January 14th, 1964 with reference to AM broadcasting and TV broadcasting Regulations.

A study of the Regulations will lead to the conclusion that at present "Canadian content" is aimed solely at the production aspect of programming. On the basis of the Regulations you could have a programme comprised solely of original Canadian musical works but if such a programme was produced in the United States, it would not be considered "Canadian content". In any press releases that I have seen to date covering the question of "Canadian content" the sole emphasis appears to be on the Canadian performer and no one has spoken out on behalf of the Canadian composer or the Canadian creative writer.

Surely if one accepts the principle that "Canadian content" is necessary for the establishment of a Canadian culture and a Canadian identity, the first emphasis should be placed on original Canadian material, be it literary or musical. The acceptance of a national cultural heritage must spring from a country's creative people. Surely if broadcasting, both AM and television, is to attain an identity separate from the productions flowing into Canada from other countries, it must be through the encouragement and assistance given to the creative elements in Canada. To be accepted and to contribute to a national identity, our Canadian creative people must be heard. It is not enough to create employment for Canadian performers who will be singing and performing works from every other country in the world. We must showcase the works of our creative people.

I would refer your Committee to Report No. 2237 of the 89th Congress, Second Session,—Copyright Law Revision at pages 31 and 32. The following is stated at page 31.

> "The present copyright law, title 17 of the United States Code, is basically the same as the act of 1909.
>
> Since that time significant changes in technology have affected the operation of the copyright law. Motion pictures and sound recordings had just made their appearance in 1909, and radio and television were still in the early stages of their development. During the past half century a wide range of new techniques for communicating printed matter, visual images, and recorded sounds have come into use, and the increasing use of information storage and retrieval devices, communications satellites, and lasers promises even greater changes in the near future. These technical advances have generated new industries and new methods for the reproduction and dissemination of copyrighted works, and the business relations between authors and users have evolved new patterns."

In light of all the new techniques as indicated above, the time has long since passed when our creative people can compete on the Canadian market for acceptance of their original works. Original Canadian material has been forced into a dormant position in the face of the deluge of foreign productions which have been accepted and used throughout Canada and in light of the technological advances, it is only with Governmental assistance that Canadian originality can begin to grow and take its place in the world.

I quote again from page 32 of the above-mentioned Report as follows:

> "Although they have differed on various issues, the interests affected by copyright law revision are in general agreement as to the inadequacy of the present law. The dual purposes of copyright protection, *to stimulate authors to create* and *to reward them for their efforts*, are of fundamental importance, and these purposes are ill-served by the 1909 statute. *There is an urgent need for copyright legislation that takes full account of the continuing technological revolution in communications and, even more important, that recognizes individual authorship as an indispensable national resource.* The Bill now reported reflects the intricate network of relationships among the many groups and industries dependent for their existence upon works created by authors, and represents an effort to reconcile conflicting interests as fairly and constructively as possible. Despite the complexity and particularization of some of its provisions, however, the basic aim of the bill is very simple: *to insure that authors receive the encouragement they need to create and the remuneration they fairly deserve for their creations.*"

The underlined portions of the above illustrate, in my opinion, the blind spot that exists in Canada today. We have to date failed to recognize "*individual authorship as an indispensable national resource*".

The United States has for years been aware of the importance of creative people as a *highly important industry* of that country. In this respect I would refer you to the enclosed Zerox copy of pages 27 and 28 of the Studies prepared for the Sub-Committee on Patents, Trademarks, and Copyrights of the Com-

mittee on the Judiciary, United States Senate, Eighty-sixth Congress, First Session.

The situation as I see it is not that the creative people of Canada need subsidies, for at best subsidies allow subsistence, but they require that the doors be open for them if they are to be accepted in their own country and ultimately throughout the world.

It is clear, I believe, that legislative enactments cannot succeed in forcing the Canadian public to accept original Canadian musical or literary works merely because they are Canadian. It is suggested that if legislation is included in any new broadcasting act with respect to so-called "Canadian content", then such legislation should clearly require that a basic percentage of "Canadian content" must include original Canadian musical and literary material in order that the Canadian public will have an opportunity to hear such works and form an opinion as to the merits of such works created by their fellow Canadians.

Yours very truly,

John V. Mills, Q.C.
Assistant General Manager

SIZE OF THE COPYRIGHT INDUSTRIES

I. The Economic Size-Importance of the Copyright Industries

A. THE PROBLEM

Of what quantitative importance in the total economy of the United States are the industries that depend upon the exploitation of copyrightable material? What parts of the economy are dependent upon such material? Some measure of size is required; what logical measure is appropriate to indicate the size-importance of the copyright industries? How does the size-importance of the copyright industries compare with that of other industries?

B. THE RESULTS—SUMMARY

Study of these questions has led to the following conclusions:

1. The segments of the economy which exploit copyrightable material for purposes of profit are the basis of any such investigation; these may be either manufacturing, processing, wholesale, or retail activities, and together they may be called the "copyright industries."

2. The most suitable measure of the economic size-importance of the copyright industries is the contribution which they make to the national income. This unit of measure is applicable to any level of economic activity; it also avoids duplication among the various economic levels, and thus lends itself to summation.

3. In 1954, the copyright industries, as a group, contributed an estimated $6.1 billion to the total national income of $299.7 billion. For purposes of comparison, it is noted that the copyright industries contributed more than mining or banking or the electric and gas utilities; they contributed slightly less than

the automobile manufacturing industry or railroad transportation. These comparisons are shown in table I, page 28.

4. Individual copyright industries range in size-importance from a high of $1,550 million national income originated by the newspaper publishing industry, down to $22 million national income originated by retail music stores. The economic size-importance of individual copyright industries is shown in table II, page 28.

COPYRIGHT LAW REVISION

TABLE I.—*Selected national income estimates, calendar year 1954* [1]

	Billions
National income of the United States	$299.7
National income originated by—	
Farms	16.6
Manufacture of food and kindred products	8.0
Railroad transportation	6.6
Manufacture of automobiles and equipment	6.5
Manufacture of electrical machinery	6.4
COPYRIGHT INDUSTRIES	6.1
Medical and other health services	6.1
Electric and gas utilities	5.7
Mining	5.2
Banking	4.5
Telephone, telegraph, and related services	4.4
Hotels and lodging places	1.6

[1] From U.S. Department of Commerce, Office of Business Economics, "Survey of Current Business," July 1955, p. 14, table 13; except for copyright industries which are shown as estimated in this study.

TABLE II.

Estimated national income originated by each of the copyright industries, calendar year 1954

Standard industrial classification code No.[1]	Industry	National income originated (millions)
271	Newspaper publishing	$1,550
272	Periodical publishing	576
273	Book publishing	390
274	Miscellaneous publishing	109
275	Commercial printing[2]	246
276	Lithographing	104
277	Greeting cards	95
278	Bookbinding and related industries[2]	62
3663	Phonograph record manufacturing	64
5942	Bookstores	32
5994	Newsdealers and newsstands	36
5995	Music stores[2]	22
7332	Commercial photography	74
731	Advertising	716
735	News syndicates	64
77	Radio broadcasting and television	533
78	Motion pictures	917
792	Theatres and theatrical producers (except motion pictures)	109
795	Bands, orchestras, and entertainers	58
7999	Amusement and recreation services, n.c.c.[2] (operation of automatic coin-operated phonographs)	242
—	Miscellaneous copyright industries	125
	Total	6,124

[1] As set forth in the "Standard Industrial Classification Manual," Bureau of the Budget, 1945. This publication will be cited as "SIC Manual."

[2] Parts of this code have been excluded as being noncopyright in nature. For details of the estimates in this table, see app. A, infra.

C. THE COPYRIGHT INDUSTRIES DEFINED

As such, the individual creator of literary or artistic property cannot be considered to be part of any copyright industry. Creation of such property does not imply economic importance; only if the property is exploited for profit purposes does it assume importance from the economic viewpoint. Therefore, any economic activity which exploits copyrightable material for purposes of profit should be included among the copyright industries.

Canadian Content

6. (1) During any period of four weeks, not less than 55% of the broadcast time of any station or network shall be devoted to programs that are basically Canadian in content and character.

(2) For the purposes of subsection (1), the first four-week period shall commence on the first Sunday following or including April 1st in any year, and subsequently four-week periods shall be measured consecutively from the end of the first such period.

(3) During each period of four weeks commencing after September 30, 1962, between the hours of six o'clock in the afternoon and twelve o'clock midnight each station and network shall devote to programs that are basically Canadian in content and character an aggregate of at least forty per cent of its broadcast time.

(3a) Notwithstanding subsection (1), during the period commencing May 26, 1963 and terminating October 12, 1963, both dates inclusive, the minimum percentage of broadcast time that each station and network shall devote to programs that are basically Canadian in content and character is forty-five per cent of that broadcast time.

(3b) Subsection (3) does not apply in respect of the period commencing May 26, 1963, and terminating October 12, 1963, both dates inclusive.

(4) *For the purposes of this section, "programs that are basically Canadian in content and character" shall, inter alia, include:*

(a) *any program produced by a licensee*
  (i) in his studio, or using his remote facilities, and
  (ii) to be broadcast initially by the licensee;

(aa) *any program produced by a network operator*
  (i) in the studios of that network operator,
  (ii) in the studios of an affiliated station, or
  (iii) by using the remote facilities of either the network operator or the affiliated station

and that is to be broadcast initially by the affiliated stations of the network operator;

(b) *news broadcasts;*

(c) *news commentaries;*

(d) *broadcasts of events occurring outside Canada in which Canadians are particpating;*

(e) *broadcasts of programs featuring special events outside Canada and of general interest to Canadians;*

(f) subject to subsection (5), *programs produced outside Canada,*
  (i) in Commonwealth countries, or
  (ii) in French language countries; and

(g) *programs of films or other reproductions which have been made in Canada, if*
  (i) *the maker* is a Canadian citizen, ordinarily resident in Canada or a company incorporated under the laws of Canada or of a province and a majority of its directors are Canadian citizens,
  (ii) an application in a form prescribed by the Board has been submitted to the Board presenting evidence of Canadian and non-Canadian content, and

(iii) the Board, after considering the evidence contained in the application, has approved the production as one of Canadian content and character.

(5) For the purposes of this section, in computing the portion of Canadian content of the broadcast time of any station or network, there may be included,

(a) in the case of *programs produced* outside Canada in Commonwealth countries, per four-week period

(i) the full program time of those programs to the extent of twenty-eight hours, and

(ii) one-half of the program time of those programs thereafter;

(b) in the case of *programs produced* outside Canada in French-language countries, one-half of the program time of those programs; and

(c) in the case of *programs produced* outside Canada in countries other than Commonwealth and French-language countries in which programs, the audio portion thereof that is converted to either English or French by a process of lip synchronization done in Canada, one-quarter of the program time of those programs,

except that the aggregate program hours included pursuant to paragraphs (a), (b) and (c) shall not exceed one-third of the broadcast time of a station or network in any four-week period.

(6) Where, in the opinion of the Board, the objects and purposes of the Act would be more fully realized by requiring a licensee to make his facilities available at certain hours for programming by other parties, the Board, after hearing representations from the licensee at a public hearing, may require the licensee to enter into program contracts with other parties subject to such fair and equitable conditions as may be prescribed by the Board.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

PROCEEDINGS

No. 42

THURSDAY, MARCH 9, 1967
FRIDAY, MARCH 10, 1967
MONDAY, MARCH 13, 1967
TUESDAY, MARCH 14, 1967
WEDNESDAY, MARCH 15, 1967
THURSDAY, MARCH 16, 1967

WHITE PAPER ON BROADCASTING (1966)

INCLUDING ELEVENTH REPORT TO THE HOUSE

(Respecting White Paper on Broadcasting (1966))

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

25696—1

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury
Vice-Chairman: Mr. Jean Berger
and

[2]Mr. Allmand,	Mr. MacDonald (*Prince*),	Mr. Prittie,
Mr. Brand,	Mr. Mackasey,	Mr. Prud'homme,
Mr. Cowan,	Mr. Macquarrie,	Mr. Richard,
Mr. Fairweather,	Mr. Mather,	Mr. Sherman,
Mr. Forrestall,	Mr. McCleave,	Mr. Simard,
Mr. Hymmen,	Mr. Munro,	[1]Mr. Thomas (*Maisonneuve-Rosemont*),
Mr. Jamieson,	Mr. Nugent,	
Mr. Johnston,	Mr. Pelletier,	[3]Mr. Yanakis—(25).

M. Slack,
Clerk of the Committee.

[1] Replaced Mr. Stafford on Monday, March 13, 1967.
[2] Replaced Mr. Béchard on Wednesday, March 15, 1967.
[3] Replaced Mr. Basford on Wednesday, March 15, 1967.

CORRECTIONS

(*Issue No. 38—February 2 and 3, 1967*)

1. Page 1844 lines 19 and 20 should read: "Yes; it varies from year to year, but taking BBC-1 and BBC-2 it is roughly *14%*. That, of course, includes major documentary programs as well as entertainment series."

(This changes 1% to 14%).

2. Page 1882 lines 42 and 43 should read: "... productions literally live. We do not go in a great deal for the filming of programs, which is of course, the more expensive, because it takes longer to produce."

(This deletes the word "not" and substitutes the word "because" for "but").

3. Page 1884 line 40 should read: "...five year term. There is at the moment on the board a man whose term has ...."

(This substitutes the figure five for the figure three).

ORDERS OF REFERENCE

MONDAY, March 13, 1967.

Ordered,—That the name of Mr. Thomas (Maisonneuve-Rosemont) be substituted for that of Mr. Stafford on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

WEDNESDAY, March 15, 1967.

Ordered,—That the names of Messrs. Allmand and Yanakis be substituted for those of Messrs. Béchard and Basford on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

25696—1½

REPORT TO THE HOUSE

TUESDAY, March 21, 1967.

The Standing Committee on Broadcasting, Films and Assistance to the Arts has the honour to present its

ELEVENTH REPORT

On Wednesday, November 23rd, 1966, the White Paper on Broadcasting (1966) was referred to your Committee.

Your Committee held 17 sittings during which it heard statements and evidence related to the White Paper from the following persons or organizations in the following order:

1. Mr. J. A. Ouimet, President, CBC
2. Dr. Andrew Stewart, Chairman, BBG
3. Canadian Association of Broadcasters
4. Canadian Broadcasting League
5. National Community Antenna Television Association of Canada
6. Community Antenna Television Ltd., Calgary
7. Association of Canadian Television and Radio Artists
8. Sir Hugh Greene, Director-General, British Broadcasting Corporation
9. Sir Robert Fraser, Director-General, Independent Television Authority (U.K.)
10. Canadian Association for Adult Education
11. CBC Board of Directors
12. The Honourable Judy LaMarsh, Secretary of State.

Your Committee also received briefs from the following:

1. Mr. E. Austin Weir, Toronto
2. Mr. Warwick Webster, Orillia
3. Composers, Authors and Publishers Association of Canada.

The three full-time members of the Board of Broadcast Governors attended for presentation of the Board's views. The full Board of Directors of the CBC appeared, in what your Committee believes was the first appearance of the entire board of a Crown corporation before a parliamentary Committee. Your Committee feels its opportunity for dialogue with the members of these boards was mutually beneficial, and expresses its appreciation to them.

Your Committee is deeply indebted to Sir Hugh Greene and Sir Robert Fraser, two distinguished British public servants, for coming to Canada and aiding the Committee.

Your Committee is grateful for all submissions received and for the assistance of its Clerk, Mr. M. Slack, the Committees Branch, the Department of the Secretary of State and the Parliamentary Librarian, Mr. Erik J. Spicer.

Many valuable observations are to be found in the evidence presented. Your Committee, while not referring in detail to such observations in this Report, has considered them in formulating its assessment of each proposition put forth in the White Paper. For ease of reference, this Report includes the White Paper.

I

INTRODUCTION

(White Paper)

1. *Objectives*

The determination to develop and maintain a national system of radio and television broadcasting in Canada is an essential part of the continuing resolve for Canadian identity and Canadian unity. In this respect the situation in 1966 is no different from that at any other point in our history. Almost forty years ago the Royal Commission headed by Sir John Aird found unanimity in Canada on one fundamental question—Canadian radio listeners wanted *Canadian* broadcasting. This strong mandate did not arise from any narrow nationalism that sought to shut out the rest of the world or, more appropriately, the rest of our continent, but rather from a clear conviction that the destiny of Canada depended on our ability and willingness to control and utilize our own internal communications for Canadian purposes.

What policies are therefore appropriate in a Canada that shares the common lot of all technologically advanced countries in the electronic age? The speed of personal movement has been far outstripped by the speed with which ideas and information of all kinds can now be transmitted over long distances and can reach into the homes and minds of the population at large. There is no insulation from these new forces, no iron curtains of the mind to permit a comfortably slow pace of adjustment to new forces. The era of the communications satellites is upon us, still further complicating the processes of adaptation which the essential goal of Canadian unity will demand.

Any statement of policy relating to broadcasting in Canada therefore starkly poses this question. How can the people of Canada retain a degree of collective control over the new techniques of electronic communication that will be sufficient to preserve and strengthen the political, social and economic fabric of Canada, which remains the most important objective of public policy?

2. *The Advisory Committee*

The report of the Advisory Committee on Broadcasting was submitted to the Government and published early in September, 1965, after some fifteen months of intensive study of the complex problems peculiar to Canadian broadcasting. Its far-reaching recommendations gave rise to an extraordinary volume of public comment and debate to which the Government has given careful attention, with special regard to the expressed opinions of the Canadian public at large. The Government has also received and given careful consideration to representations from the Board of Broadcast Governors, the Canadian Broadcasting Corporation, the Canadian Association of Broadcasters, the Canadian Broadcasting League, and other interested organizations.

Following these deliberations, the Government has concluded that the comments and criticisms made by the Advisory Committee within its terms of reference are in many respects soundly based and generally valid, and that many of its recommendations should be implemented as soon as possible, in effect but not necessarily in every detail. The Government accordingly proposes to introduce new legislation on the general lines set out herein.

A distinctly Canadian broadcasting system is essential to our national identity, unity and vitality in our second century. Transportation was a key factor in shaping Canada in the past. Communications will play a major role in shaping the Canada of the future. It has been said that transportation is the skeleton on which the Canadian body politic has grown during the past one hundred years. In future, broadcasting may well be regarded as the central nervous system of Canadian nationhood.

Canadian broadcasting is unique in the world—with its complex mix of public and private components, its bilingual nature, its foreign competition, its far-flung and diverse constituency. It has served Canada well. It must, however, be challenged to serve it better.

Fundamental to any consideration of broadcasting policy is the fact that the airwaves are public property, and the privilege of exclusive use of any channel or frequency must be subject to the clear responsibility of serving the public interest as expressed through national policy.

The Committee feels strongly that it is not a proper function of Parliament or Government to be involved in the programming, or the day-to-day operation or supervision of the broadcasting system. It is, however, the responsibility of Parliament to define the public interest to be served by our broadcasting system and to enunciate the national policy. It is also Parliament's duty to create a viable structure within which the service we seek can be assured to the Canadian people.

Objectives

The Committee concurs with the White Paper's statement of objectives. We are convinced that Canadians want radio and television programs of Canadian origin and character, although programs produced in the United States are available to a majority of Canadians who obviously enjoy them. A Canadian identity demands public affairs and news programs about Canada and about the world through Canadian eyes. Canadian broadcasters have a special responsibility to provide such programs because they will not come from any other source. Although the United States will continue to be the source of many dramatic and variety programs on Canadian stations, Canadian broadcasters must develop such programs in Canada to the fullest extent which availability of talents and resources permits.

With prospective development of non-commercial broadcasting in the United States, and with the rapid progress toward satellite broadcasting, all Canadians may soon have direct access to more international programs of wide interest and high quality. This will be welcome provided Canadians are assured of the opportunity to receive Canadian programs of high quality, to develop their own talents and display them globally.

The Committee notes with approval the growing interest in domestic film-making including the recent legislation to establish the Canadian Film

Development Corporation. This opens new opportunities for co-operation between broadcasters and film-makers. We recommend that Canadian television be encouraged to utilize the National Film Board and independent film producers to a greater extent.

Indeed, to advance Canadian cultural objectives, broadcasting should draw on all available creative organizations and resources in the theatrical, musical and other artistic fields. We commend continuing and expanding government assistance to the arts; this will enlarge the pool of Canadian talent available to the broadcasting media.

The Committee is of the opinion that the lack of adequate archive facilities to preserve films of lasting value constitutes a severe loss to Canadians. We, therefore, recommend urgent action to preserve such films.

* * * *

II

PUBLIC CONTROL OF BROADCASTING

3. *General Principles* (*White Paper*)

> Television channels and radio frequencies, the number of which at present limited, are public property over which the public is entitled to exercise appropriate control, primarily by issuing broadcasting licences subject to special and enforceable conditions. Past experience has clearly demonstrated the necessity in Canada for a broadcasting system that includes public and private elements, in which the place of the public element should predominate in policy areas where a choice between the two is involved. Subject only to regulations applicable to all broadcasters and the conditions of individual licences, the right to freedom of expression should be unquestioned, but all broadcasters have a responsibility for the public effects of the powerful and pervasive influence which they exercise.
>
> Much of the controversy about public control of broadcasting seems to arise from a failure to distinguish clearly between two quite separate elements—the physical structure of the system and the actual programs broadcast—which can and should be differently treated. It is almost universally recognized that the regulation of programming must be entirely and demonstrably free from improper influences and pressures, and can therefore best be delegated to an independently constituted authority which is not subject to any form of direction in that regard. But, since the coverage of the national broadcasting service must be provided by the public element, which is dependent on funds voted by Parliament, the physical structure of the system as a whole is a matter for the Government, which is responsible to Parliament, to decide.
>
> Fears of hidden influences on program content have tended to obscure this legitimate right to direct the structure of the broadcasting system. These fears can best be dispelled by providing statutory machinery which distinguishes clearly between the total delegation of authority over programming on the one hand, and ultimate authority over the structure of the system on the other.
>
> In the new legislation, Parliament will therefore be asked to authorize the Governor in Council to give formal directions to the regulatory authority, dealing with the structure of the system, which may then be put into effect after suitable public discussion. Matters affecting programming will not be subject to such directions, the scope of which is more fully described below.

The Committee concurs with the general principles stated in the White Paper. We urge, however, a clear legislative declaration of the pre-eminence of the public sector. We agree that, although the CBC's responsibility is

paramount, all broadcasters share a duty to serve the public interest and must share it more equitably and effectively. We earnestly hope that the proposed "total delegation of authority over programming" will end Parliament's frequent involvement with broadcasting matters.

* * * *

(*White Paper*)

4. *The Regulatory Authority*

The Canadian broadcasting system, comprising public and private sectors, must be regarded as a single system which should be regulated and controlled by a single independent authority. It is therefore proposed that the powers and authority of the Board of Broadcast Governors, which require extension and clarification, shall be applicable to all broadcasters alike, and that the Board itself shall be reconstituted. The Government does not concur in the recommendation of the Advisory Committee that the regulatory authority should be responsible for the management of the Canadian Broadcasting Corporation. However, the legislation will make it clear that the Corporation will be subject to the regulatory powers of the Board of Broadcast Governors in all matters affecting general broadcasting policy in Canada.

The Board of Broadcast Governors will have full power to issue broadcasting licences, subject only to technical evaluation and certification by the Department of Transport and to any formal direction that may have been issued under the new Act relating to the structure of the system. Licences will be issued on the authority of the Board itself, without reference, as at present, to the Governor in Council, but provision will be made for formal appeals to be made to the Governor in Council against the decisions of the Board in the exercise of this power. The necessary amendments to the Radio Act will be submitted to Parliament simultaneously with the new broadcasting legislation.

The Board will also have full power to regulate the constitution of and conditions of affiliation to all television and radio networks, both public and private.

The Board will be required to undertake, in collaboration with the Canadian Broadcasting Corporation, objective research into all matters bearing upon broadcasting in Canada. The need to keep abreast of the pace of technological change is quite apparent. It is also generally agreed that far too little is known about the specific effects on the public of new forms of communication, or about the views held by Canadians as to the objectives of public broadcasting.

The Board will be asked to consider the feasibility and desirability of setting up regional broadcasting councils to advise upon representations made by the general public with regard to programming.

The extended powers and responsibilities of the Board will, in the opinion of the Government, require the attention of more full-time members than at present, but there should continue to be a number of part-time members sufficient to provide a broad cross-section of Canadian opinion. The authority of the Board will reside in the full-time members, but there will be an obligation to consult the whole Board before decisions are taken on matters of regulatory policy.

It is accordingly proposed that the Board shall comprise a Chairman, a Vice-Chairman, and three other full-time members, together with up to seven part-time members, all to be appointed by the Governor in Council. Normal terms of appointment will be seven years for the full-time members and five years for the part-time members, but in both cases the terms of initial appointments will be adjusted so as to ensure a rotation of new appointments.

The Committee concurs with the White Paper's proposal that the Board of Broadcast Governors be reconstituted and its powers and authority clarified so as to make it a more effective regulatory authority in all matters affecting general broadcasting policy. We emphasize our conviction, however, that the areas of authority and responsibility of the BBG and the CBC, and the nature of the relationship it is intended to establish between them, be fully understood and clearly defined in the legislation.

If public and private components are part of a single structure, as the Fowler Committee Report and the White Paper see them to be, a common regulatory authority is needed to oversee this structure and, as an "auditor general" of broadcasting, to advise Parliament periodically as to the performance of Canadian broadcasting.

Although the ultimate authority and responsibility of Parliament is clear, it is equally clear that Parliament cannot administer or supervise broadcasting. Nor do we believe a Minister of the Crown should have such power. A reconstituted BBG should provide an assessment of our broadcasting system. In order to do so, it must have clear-cut directives from Parliament as to how it will be expected to act on Parliament's behalf.

The CBC, as the prime instrument of public policy in broadcasting and one of the world's largest broadcasting organizations, needs a strong Board of Directors. Its directors would continue to be challenged with the management of one of our country's most important corporations. Legally, they are the Corporation. Although they hold this public asset as trustees for the Canadian people, it is natural that they should develop loyalties to its personnel, its programs and its welfare. It is in the public interest, as well as in the interest of the CBC, that they do so, within the context of their responsibility to Parliament on behalf of the people. At the same time, the CBC (and the public) should benefit from continuous and co-operative liaison with a BBG bearing responsibility for overseeing performance of the entire broadcasting system. The BBG, however, should not be involved in the Corporation's day-to-day decision-making or in policy-making concerned with the internal workings of the Corporation. These must be the responsibility of the CBC Board of Directors.

The responsibility of the BBG, in the first instance, would be to amplify the broad principles for Canadian broadcasting laid down by Parliament and to set general standards following public hearings. The legislation must say, with a good deal of precision, what these principles are, as they apply to the various components of the system, both public and private. Obviously, the most important of them will concern programming. In the case of the CBC, responsibility for porgramming must rest with its Board and management. We welcome the assurance that the BBG "will not, however, be empowered to give directions, other than by generally applicable regulations or in the conditions of a licence, to any broadcaster in respect of specific programs."

In case of conflict between components, the BBG should have the power to arbitrate any dispute. It should seek to resolve complaints which fall within its purview by consultation with the component or components concerned before resorting to penalties or public censure, either of which should be a final resort but firmly used if necessary.

As creatures of Parliament, both the BBG and the CBC should continue to report to Parliament annually and the members of each board should be available to this Committee for a review of their reports when their estimates are under consideration. A major parliamentary inquiry into broadcasting should not be necessary more than once every five years. We agree that it will be necessary, and useful, to have discussions between the CBC and BBG on the Corporation's budget. The BBG, however, should not assume responsibility for the budget. As "auditor general" of broadcasting, the BBG should assess the performance of all components of the system under its supervision, including the CBC. In assessing the CBC, the BBG should take into account the financial resources available to the Corporation, its mandate and its vital importance as the prime instrument of national policy in broadcasting.

We endorse the White Paper's view that "far too little is known about the specific effects on the public of new forms of communication, or about the views held by Canadians as to the objective of public broadcasting." We note the willingness of private broadcasters to collaborate with the BBG and the CBC in an accelerated research program and feel that other independent agencies should be encouraged to participate in this endeavour. In addition to the areas of research mentioned in the White Paper, we recommend that a study be undertaken of the economic effects on Canadian broadcasting of advertising placed by Canadian firms with U.S. stations.

The Committee approves of the licensing procedure, regulation of affiliation agreements, and composition of the BBG as outlined in the White Paper. The Committee believes, however, that the authority of the Board should not reside only in the full-time members but that part-time members should have the right to vote. We also recommend that the total number of members be eleven; five full-time and six part-time. We suggest that the full-time members constitute an Executive Committee empowered to deal with matters delegated to it by legislation or by the full Board.

Your Committee has not heard specific views on the point as to whether the reasons for decisions of the BBG should be made public at the request of interested parties. We suggest, however, that this point be considered when legislation is being drafted.

* * * *

(White Paper)

5. *The Structure of the Broadcasting System*

> In ordinary circumstances, the Board of Broadcast Governors will have the unqualified right, subject to technical certification by the Department of Transport, to select one from a number of applicants for a broadcasting licence, and to issue and renew licences on a basis of merit. But, as noted, authority will rest with the Governor in Council to give formal directions to the Board on the overall pattern of coverage to be followed; on the reservation of particular channels and frequencies for the use of the Canadian Broadcasting Corporation; on the assignment of particular channels and frequencies for special purposes; on the eligibility of certain classes of applicants for licences; and on the pre-emption of broadcast time for special purposes or in an emergency.

All Canadians are entitled, subject only to practical considerations in the expenditure of public funds, to service in the Canadian official language that they habitually use. The Government intends to give the highest possible priority to the extension of radio and television coverage on this basis. Parliament will be asked to provide funds so that the Canadian Broadcasting Corporation can complete coverage, to the fullest extent that is feasible, with all possible speed.

The time has also come to consider full national network services in both official languages from coast to coast, and a detailed study of all aspects of this question will be undertaken forthwith.

Although prime coverage must have first priority, alternative television service is an amenity now regarded almost as a necessity of life, which is already available to some 75-80% of Canadian television households. The Government has advised the Board of Broadcast Governors that, pending the enactment of new legislation, it is now prepared to consider issuing second-station television licences on the recommendation of the Board, subject to the reservation for the use of the Canadian Broadcasting Corporation of channels in Victoria, B.C.; Saskatoon, Sask.; Sudbury, Ont.; and the Saint John-Fredericton area in New Brunswick. The provision of television service by the Canadian Broadcasting Corporation in these reserved locations will be inaugurated, by means of repeater stations at first, as funds permit. The effect of this decision will be to permit the Board to consider applications by private affiliates of the Canadian Broadcasting Corporation who may wish to disaffiliate and join the CTV network.

In recommending the issue of a second-station licence before the enactment of new legislation, the Board of Broadcast Governors will be required to satisfy the Government that the advertising revenue of a new station will be adequate to support a proper level of public-service programming.

The Committee concurs with the statement on structure appearing in the White Paper, particularly with reference to extending coverage to all Canadians, and to full network services in both official languages. We recommend further that, wherever practical, in areas now receiving only one Canadian service, if the service is through a private outlet, the alternative should be provided by CBC. If CBC is now the sole service, the second service should be private. Where there are serious obstacles to such parallel development, however, these should not prohibit the extension of alternate service by other means, at least on a temporary basis. We urge that the introduction of dual service proceed as rapidly as CBC finances and local market conditions permit.

* * * *

(*White Paper*)

6. *New Television Channels*

The television channels now in regular use in Canada all lie within what is known as the very-high-frequency band (VHF). The number of these channels is limited, and most have already been assigned. Those that remain are too few to meet current and impending requirements for educational television stations and other special needs. For these purposes it will be necessary to make use of the additional channels available in the ultra-high-frequency band (UHF), which requires special transmitting and receiving equipment, and which is not yet in regular use. The Department of Transport was accordingly directed some time ago to study in detail and make recommendations, in collaboration with the Board of Broadcast Governors, on the pattern of assignment of ultra-high-frequency television channels to the public and private sectors, and for educational and other special uses.

The Committee has noted with approval the study now in progress on the pattern of assignment of ultra-high-frequency television channels. We recommend that appropriate steps be taken to ensure that all new television sets sold in Canada be equipped to receive UHF transmission.

(*White Paper*)

7. *Programming*

Clearly there must be regulations, applicable to all broadcasters alike, establishing general standards of public acceptability and governing such matters as the length, frequency and nature of advertising announcements, but this is hardly enough. While the Canadian Broadcasting Corporation has a special place in the field of public-service programming, private broadcasters also have a positive responsibility to contribute to a wide range of audience choice, to meet certain standards of public service, and to achieve the highest quality of programming they can reasonably afford. This the Canadian people are fully entitled to demand in return for the grant of a valuable franchise. But standards of quality and public service should not be formulated on a universally applicable basis. Private broadcasters operating in the larger and more profitable markets can afford to provide a greater variety and higher quality of programming than those in less favoured areas, and it is therefore logical to relate regulatory requirements to the profit-potential of individual licences.

In programming, high quality is more a matter of general excellence than of mere content. So called "high-brow" programs can be artistically or technically poor, while light entertainment can be excellent. High quality does not necessarily flow from high cost, and standards of quality cannot readily be made a condition of a licence. However, judgments about quality can quite legitimately be made in retrospect on the basis of actual observed performance, and should carry a great deal of weight when an application for the renewal of a licence is being considered.

Other important requirements of public policy can be measured in terms of time and money. In particular, the employment of Canadian talent of all kinds is something that public policy should require by demanding that all broadcasters include a substantial Canadian content in their programming, particularly in prime time. Events of national interest which originate abroad are important as public-service programming, but do not contribute to the utilization of Canadian talent and should not qualify as Canadian content.

Accordingly the new legislation will provide that minimum standards of public-service programming and Canadian content shall be determined by the Board of Broadcast Governors on an individual basis, taking account of the circumstances of the licensee or of groups of licensees, including the Canadian Broadcasting Corporation. These minimum standards will be incorporated into the conditions of the licence so as to be legally enforceable.

Thus, in future, a broadcasting licence will be granted after a public hearing and subject to technical certification, to the applicant who undertakes, as a condition of his licence, to comply with generally applicable regulations on program quality and advertising, and to provide the best texture of public-service programming and Canadian content. The renewal of an existing licence will be subject to the same considerations, and the past performance of the licensee will be taken fully into account. The Board will not, however, be empowered to give directions, other than by generally applicable regulations or in the conditions of a licence, to any broadcaster in respect of specific programs.

The Committee agrees with the comments of the White Paper on programming. We approve of a flexible formula of expectations for performance by individual stations or groups of stations but with strict enforcement of standards imposed as a condition of licence. We believe it is essential to avoid monopolization of prime time by foreign programs, and to increase true Canadian content in radio as well as television. We also believe that public affairs programs should be included among those shown during prime time.

* * * *

(*White Paper*)

8. *Ownership of Canadian Facilities*

Another important aspect of licensing policy in the field of radio and television which requires attention is the ownership of broadcasting facilities. It has always been recognized that the control of Canadian communications facilities should remain in Canadian hands. There are already instances of foreign ownership and potential

foreign control extending markedly into the field of Canadian communications facilities, particularly in the community-antenna television systems.

Within Canada, ownership or control of one medium of communication by another is equally a matter of concern if it tends to develop into a monopoly. There is a growing number of cases where either ownership or control extends to both the local newspapers and the local radio or television facilities. The Board of Broadcast Governors will be required to investigate and report on public complaints or representations about situations of this kind.

Parliament will be asked to authorize the Government to give guidance to the Board of Broadcast Governors aimed at preventing foreign control of broadcasting facilities, the domination of a local situation through multiple ownership, or the extension of ownership geographically in a manner that is not in the public interest.

The Committee supports the White Paper's proposal that the BBG be required to investigate and report on public complaints or representations about situations where control of broadcasting and another communications medium may tend to create a monopoly of information. We suggest that similar action would be justified where there appears to be danger of an undue concentration of control within broadcasting media. We also recommend that the BBG be authorized to initiate such investigations in the absence of public complaints when it deems advisable. We believe, too, that careful attention should be paid to these considerations in the granting of licences and in formulating conditions of licences, particularly in any area where there is unlikely to be more than one station, either radio or television. The Committee has noted that in the United States there is a limitation on the number of stations which can be licenced to any one owner, and feels the merits of such a restriction should be considered.

* * * *

(*White Paper*)

9. *Educational Broadcasting*

A tremendous expansion in the use of television for educational purposes is to be expected in the next few years, and the operation of educational broadcasting stations or systems involves both federal and provincial responsibilities. The policy that has been followed for the past twenty years is that broadcasting licences should not be granted to other governments or to agencies under their direct control. The only exceptions have been some radio licences issued to educational institutions specifically for educational broadcasting. Provincial applications for licences for private television stations to be operated in connection with the educational system of the province are now being received, and more are to be expected in the near future.

Federal policies in the field of communications must not work to impede but must facilitate the proper discharge of provincial responsibilities for education. For this purpose, it will be necessary to work directly with the provinces to study the technical facilities required, and to plan and carry out the installation of educational broadcasting facilities throughout Canada.

The Government is prepared to give immediate consideration to the creation of a new federal organization licensed to operate public service broadcasting facilities. This organization would be empowered to enter into an agreement with any province to make such facilities available for the broadcasting within the province, during appropriate periods of the day, of programs designed to meet the needs of the provincial educational system as determined by the responsible provincial authorities. As a component of the Canadian broadcasting system, the new organization would be subject to the authority of the Board of Broadcast Governors in respect of the licensing of stations, the hours of broadcasting, the interpretation

of its purposes, and generally the regulatory power of the Board in all matters affecting general broadcasting policy in Canada. Details of this arrangement will be developed after ample opportunity has been given for full discussion with all concerned.

It is the view of the Government that, since the imminent availability of ultra-high-frequency channels and facilities will be quite adequate for the needs of education, there is no need at this time to proceed with the recommendation of the Advisory Committee that the very-high-frequency channels now in use should be pre-empted for educational purposes in the forenoon.

The Committee has reserved this part of the White Paper for more intensive study, which it hopes to pursue after presentation of this report. However, we appreciate that some steps might have to be taken toward making broadcasting facilities available for instructional purposes before we can report further. The Committee therefore cautions against any departure from the long-standing policy that broadcasting licences not be granted to governments or to agencies under their direct control, and urges that no facilities be committed to the exclusive use of any government or any such agency of government.

* * * *

(*White Paper*)

10. *Community-Antenna Television Systems*

The new legislation will provide that community-antenna television systems shall be treated as components of the national broadcasting system, subject to licensing, regulation and control by the Board of Broadcast Governors.

The Board will be empowered to examine, at public hearings or otherwise, all applications for new licences or the renewal of existing licences for such systems. Among the matters subject to regulation or incorporated in the conditions of a licence will be the inclusion of Canadian channels, the preservation of the integrity of the programs received and carried by the systems, the formation of networks, an adequate degree of Canadian control of corporate licensees, and—as already noted—questions of multiple ownership or control.

Study is being given to special problems of jurisdiction involved in the regulation of closed-circuit television operations and the reception of transmissions from antennae in the United States fed through a coaxial cable or microwave system to Canadian communities for local distribution over cable networks.

The Committee concurs with the proposals of the White Paper with respect to community antenna systems. We recognize the value of these systems but we agree that they should be treated as part of the broadcasting system. While they do not at present use the airwaves, they nevertheless distribute broadcast programs which may compete with those of other broadcasting outlets and therefore, should be under the jurisdiction of the BBG.

* * * *

(*White Paper*)

11. *Penalties and Appeal Procedures*

The Board of Broadcast Governors will be empowered to inflict monetary penalties for breaches of regulations or failure to comply with the conditions of a licence; in the latter case there will also be power to suspend or revoke a licence. The legislation will also provide for appeals to the courts, on questions of law but not of fact, against any decisions of the Board.

The Committee approves the procedures suggested in the White Paper provided licensees are afforded the right to be heard. Such procedures appear to be consistent with those of other comparable tribunals.

III

THE CANADIAN BROADCASTING CORPORATION

(*White Paper*)

12. *The National Broadcasting Service*

The new legislation will establish that the Canadian Broadcasting Corporation, as the public component of the national broadcasting system, will be subject to regulation and control by the Board of Broadcast Governors, and that the standards of quality and the nature of the service provided will be a condition of the licences granted to the Corporation. Since monetary penalties would be ineffectual and the suspension of a licence impractical, the Corporation will necessarily be required to comply with specific directions by the Board in cases of breach of regulations or failure to comply with the conditions of a licence.

The Committee concurs with the proposal in the White Paper that the CBC will be subject to regulation and control by the BBG on the understanding that this does not imply any power to give directions in respect of specific programming except by general regulation or conditions of licences.

* * * *

(*White Paper*)

13. *The Mandate of the Corporation*

Under the present Broadcasting Act, responsibility is assigned to the Canadian Broadcasting Corporation for the operation of a national broadcasting service. The interpretation of this phrase has been left largely to the Corporation itself, and it has fulfilled its prime responsibility to provide broadcasting services to the Canadian people as a whole in a manner that is altogether praiseworthy.

The new legislation will confirm the objectives developed by the Corporation, which are to provide a complete and balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes, including a high content of regional, national and international news, factual and interpretative reports, and programs devoted to all aspects of the arts, light entertainment, and sport. It should seek to use and develop Canadian artistic and cultural resources and talent, wherever situated, to the maximum extent consistent with high standards of program quality. It should serve the two official-language groups and the special needs of geographical regions, and it should actively contribute to the flow and exchange of information, entertainment and understanding between cultures and between regions.

The Committee concurs with the White Paper's confirmation and elaboration of the objectives developed by the CBC. We recommend, however, that there be legislative definition of this mandate with clear recognition that the CBC is the principal agency for carrying out public policy through broadcasting. While we feel the CBC's performance of its mandate has been by and large praiseworthy, we believe it can and must achieve its objectives more adequately under the new conditions proposed in the White Paper.

* * * *

(*White Paper*)

14. *The Board of Directors*

The field of management and operational policy in the Canadian Broadcasting Corporation is so large that the Government is convinced this responsibility should not be entrusted to a panel of members of the Board of Broadcast Governors, as recommended by the Advisory Committee. This is true even though, under the new legislation, some broad areas of broadcasting policy which may now be within the

competence of the Board of Directors of the Corporation will henceforth be subject to regulation by the Board of Broadcast Governors. There seems to be no doubt that the Corporation will benefit from the advice and judgment of outstanding Canadians chosen mainly but not exclusively for their knowledge and experience of management matters.

It is accordingly proposed that the Board of Directors of the Corporation shall comprise a President and a sufficient number of other directors to provide adequate representation, all to be appointed by the Governor in Council. The President, who will be the chairman of the Board, will be appointed for a term of seven years, the other directors for five years, with suitable provision for the overlapping of initial terms. Subject to the approval of the Governor in Council, the Board of Directors will appoint a chief executive officer, who will be responsible to the Board for all the operations of the Corporation.

The Committee concurs with the proposed composition of the Board and the provision for a chief executive officer to be appointed by the Board. We have noted with approval the relationship between the Chairman and the Director-General in the British Broadcasting Corporation which might well be emulated in the CBC.

We recommend that the Chairman be known by that title rather than as President. We consider this a position of high prestige and responsibility to be filled by an outstanding Canadian prepared to devote his energies fully to the CBC.

We recommend that the chief executive officer be called the General Manager and that he not be a director. We feel he should be a highly respected person experienced in program production administration and finance, capable of giving creative and positive leadership in the keystone of our broadcasting system.

We reiterate the Committee's recommendation in its Ninth Report, dated June 29, 1966, that there should be a Senior Executive responsible for programming and production in the English and French networks respectively, each reporting to the General Manager.

We agree that directors should be experienced in management matters, but we would not wish to see "management" in this context equated entirely with "housekeeping". Program policy is a most vital element in the management of a broadcasting organization, and it will always be an asset to have some directors with a practical knowledge of broadcasting. Although geographical representation need not be a prime consideration in the appointment of directors, the Committee supports the idea of forming two groups within the Board, each one to concern itself more particularly with the English or French network. Each should include directors who can speak the language of the network concerned and whose normal residence is within the coverage area of that network.

* * * *

(*White Paper*)

15. *Financial Provision*

The Government accepts the recommendation of the Advisory Committee that the Corporation should be financed by means of a statutory five-year grant based on a formula related to television households, with a suitable borrowing authority for capital requirements. The details of the actual amounts, which will require the

exercise of a tight financial discipline by the Directors of the Corporation but will be adequate for reasonable requirements, will be submitted to Parliament by the Minister of Finance later in the year when financial requirements of all kinds for the next and ensuing fiscal years are under consideration.

The Committee concurs with the proposal in the White Paper for financing of the CBC, and considers this basic to accomplishment of the goals which justify the Corporation's existence.

* * * *

(*White Paper*)

16. *Commercial Activities*

The size of the statutory grant to the Corporation must necessarily take into account an estimate of revenue from advertising and other sources. The Government has given the most careful consideration to the question of commercial activities, and has concluded that the recommendations of the Advisory Committee on Broadcasting should be implemented. It is important both to the Corporation and to private broadcasters that definite limits be set to the amount of revenue to be derived from its commercial activities. The Corporation should not seek to increase its present volume of commercial programming.

Parliament will accordingly be asked to make financial provision for the Corporation on the basis that, while improving its programming, it should seek to retain but not to increase its present 25% share of the television advertising market and 4% share of the corresponding radio market. It is hoped that, with improvements in sales techniques and growing oportunities for sales of programs abroad, this policy will enable the Corporation to provide a quality and diversity of programming that will not be unduly dependent on commercial resources.

The Committee recommends reconsideration of the commercial target on which the grant is to be based. If the Corporation is to carry out its mandate, improving quality and expanding Canadian content of its programming, its first concern must not be competition for commercial sales. A revenue target based on a share of the advertising market could require the Corporation to place an excessive emphasis on this aspect of its activities.

An alternative is suggested that would relate CBC commercial revenues to the proposed statutory grants. Having determined the over-all revenue needs of the Corporation for operational purposes, and the desired level of commercial activity, the number of dollars to be derived from advertising sources would be specified. This must be a realizable target and the Corporation should be expected to use aggressive advertising and program sales policies to the degree necessary to achieve it.

* * * *

(*White Paper*)

17. *Headquarters and Consolidation Plans*

The Government considers that the headquarters of the Corporation should remain in Ottawa, but that the headquarters staff should be of the minimum size compatible with the effective general direction of the Corporation. So far as possible, operational and ancillary activities, particularly the control of programming, should be removed to the main production centres, where suitable adjustments to consolidation plans should be made as a matter of urgency.

Approval has already been given for the start of construction for the consolidation of Montreal operations, but until the peak of construction for Expo '67 has been passed expenditures are to be incurred only at a minimal pace; this will give the Corporation a final opportunity to review its plans in detail. Decisions about consolidation in other production centres must await further discussion with the Corporation and detailed consideration of proposed plans.

The recent difficulties in the relationship of management to production staff forcefully underline the necessity for significant improvements in internal communications. The Government therefore expects that action to effect the necessary organizational changes will be given high priority by the Corporation.

The Committee concurs with the proposals set out in the White Paper, which are consistent with previous recommendations of this Committee. In the planning of facilities, however, we believe consideration should be given to what appears to be a major growth in the use of film production for television.

* * * *

(*White Paper*)

18. *Colour Television*

The Government has reviewed and confirmed its decision that the introduction of colour television, while necessary, must take a lower priority than other improvements in the public broadcasting service. The Corporation will therefore be required to limit its expenditures on conversion to colour through the fiscal year 1969-70 to plans already announced.

The Committee concurs with the policy expressed in the White Paper, but urges that it be reviewed frequently to avoid placing the public element in a prejudicial position relative to competitors and thus defeating the purpose of the CBC to serve as many Canadians as possible.

* * * *

(*White Paper*)

19. *The Northern Service and Armed Forces Service*

For Canadians living and serving in the north and other remote parts of the country, and for Canadian servicemen overseas, broadcasting service is of inestimable importance. Radio and, increasingly in the future, television provide vital links with the more populous parts of Canada by affording an immediacy of communication that is essential to the preservation of a sense of Canadian unity. The Government therefore attaches high importance to the improvement of the present facilities for shortwave transmissions, which are far from adequate.

Parliament will accordingly be asked to provide funds so that the improvements in facilities and programming recommended by the Advisory Committee can be effected as quickly as possible. The present arrangements under which the Department of National Defence bears the main cost of the Armed Forces Service will be continued.

The Committee concurs with the White Paper.

* * * *

(*White Paper*)

20. *The International Service*

The Government is convinced of the importance and value of the International Service, and is generally prepared to accept the recommendations of the Advisory Committee with regard to the necessary renewal of the physical plant and the extension and improvement of programming. The integration of the Service with the Corporation, which should be undertaken forthwith, will facilitate a rationalization of activities and operations abroad. Programming policy will be determined under the guidance of the Department of External Affairs. The cost of operating the International Service will continue to be met by a special Vote, and Parliament will be asked to provide for the early installation of new transmitting equipment, as well as for the programming improvements and extensions recommended by the Advisory Committee.

The Committee concurs with the White Paper.

IV

CONCLUSION

(*White Paper*)

21. *The Future of Canadian Broadcasting*

> The new legislation that Parliament will be asked to enact will, the Government believes, have many beneficial effects. The responsibilities and authority of the Board of Broadcast Governors will be unequivocally established, in relation both to the private broadcasters and to the Canadian Broadcasting Corporation. Both sectors will be fully aware of what is expected of them, and will thus be able to plan confidently for the future. If their plans are soundly conceived and executed, as the Government is confident they will be, the Canadian public will continue to enjoy broadcasting services envied by the rest of the world.
>
> In a policy statement such as this, much of the content is necessarily devoted to the details of the Canadian broadcasting system, and it is therefore necessary to recall the national objectives set out in the opening statement. There is no area of human endeavour that is more affected by the present pace of technological change than the means by which people communicate with each other through electronic devices. The Canadian system must be adaptable to change. It must have a ready capacity to adjust to new forces so that it may contribute powerfully in the future, as it has in the past, to the essential goal of Canadian unity.

The Committee concurs with the White Paper's blueprint for the future. We recognize, of course, that technical advances such as satellite communication will create major changes in the whole field of broadcasting. These developments and their likely effect on the system must be considered carefully in all planning and legislation.

We express our conviction that the primacy of the public sector should be the paramount and continuing objective of the new legislation; that we must make more effective, and not undermine, the main instrument by which "national consciousness may be fostered and sustained and national unity still further strengthened."

* * * *

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 29 to 42 inclusive*) will be tabled later.

Respectfully submitted,

ROBERT STANBURY,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, March 9, 1967.
(64)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day *in camera* at 3.45 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Berger, Cowan, Fairweather, Forrestall, Jamieson, MacDonald (*Prince*), McCleave, Munro, Pelletier, Prittie, Prud'homme, Stanbury—(13).

Agreed,—That the appendix to the CBC brief presented to the Committee on December 1, 1966, be printed as an Appendix to this day's Proceedings. (*See Appendix 19*).

A draft report relating to the White Paper on Broadcasting (1966) was presented by the Subcommittee on Agenda and Procedure.

Following deliberation and amendments, and the discussion still continuing, at 5.55 p.m., the Committee adjourned until 8.00 p.m. this evening.

EVENING SITTING
(65)

The Committee resumed, *in camera*, at 8.10 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Berger, Cowan, Fairweather, Jamieson, MacDonald (*Prince*), McCleave, Munro, Pelletier, Prittie, Prud'homme, Stanbury—(12).

The Committee resumed discussions of its draft report to the House.

Following further amendments to the report, and the discussion still continuing, at 10.00 p.m., the Committee adjourned until 1.30 p.m. on Friday, March 10.

FRIDAY, March 10, 1967.
(66)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day, *in camera*, at 2.20 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Béchard, Cowan, Fairweather, Jamieson, MacDonald (*Prince*), Mather, Munro, Pelletier, Prittie, Prud'homme, Stanbury—(11).

The Committee resumed discussion of its draft report to the House relating to the White Paper on Broadcasting (1966).

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Following further amendments to the report, and the discussion still continuing, at 4.00 p.m., the Committee adjourned until 3.30 p.m. on Monday, March 13.

MONDAY, March 13, 1967.
(67)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day, *in camera*, at 4.10 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Berger, Brand, Fairweather, Hymmen, Johnston, McCleave, Munro, Pelletier, Prittie, Richard, Stanbury—(11).

The Committee resumed discussion of its draft report to the House relating to the White Paper on Broadcasting (1966).

Following further amendments to the report, and the discussion still continuing, at 6.00 p.m., the Committee adjourned until 8.00 p.m. this evening.

EVENING SITTING
(68)

The Committee resumed, *in camera*, at 8.25 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Berger, Brand, Fairweather, Hymmen, Mather, McCleave, Munro, Pelletier, Prittie, Stanbury, Thomas (*Maisonneuve-Rosemont*)—(11).

The Committee resumed discussion of its draft report to the House.

After further deliberation and amendments, and the discussion still continuing, at 10.00 p.m., the Committee adjourned until 9.30 a.m. on Tuesday, March 14.

TUESDAY, March 14, 1967.
(69)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day, *in camera*, at 10.00 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Berger, Fairweather, Jamieson, Johnston, Mather, McCleave, Munro, Pelletier, Prittie, Stanbury, Thomas (*Maisonneuve-Rosemont*)—(11).

The Committee resumed discussion of its draft report to the House relating to the White Paper on Broadcasting (1966).

Following further amendments to the report, and the discussion still continuing, at 12.30 p.m., the Committee adjourned until 3.30 p.m. this afternoon.

AFTERNOON SITTING

(70)

The Committee resumed, *in camera*, at 4.10 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Fairweather, Forrestall, Hymmen, Jamieson, MacDonald (*Prince*), Munro, Pelletier, Prittie, Prud'homme, Stanbury, Thomas (*Maisonneuve-Rosemont*)—(11).

The Committee resumed discussion of its draft report to the House.

After further deliberation and amendments, and the discussion still continuing, at 6.05 p.m., the Committee adjourned until 8.00 p.m. this evening.

EVENING SITTING

(71)

The Committee resumed, *in camera*, at 8.15 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Berger, Fairweather, Jamieson, MacDonald (*Prince*), Mather, McCleave, Pelletier, Prud'homme, Stanbury—(9).

The Committee resumed discussion of its draft report to the House.

After further deliberation and amendments, and the discussion still continuing, at 10.00 p.m., the Committee adjourned until 3.30 p.m. on Wednesday, March 15.

WEDNESDAY, March 15, 1967.

(72)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day, *in camera*, at 4.00 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Allmand, Brand, Fairweather, Forrestall, Jamieson, MacDonald (*Prince*), McCleave, Pelletier, Prittie, Stanbury, Thomas (*Maisonneuve-Rosemont*)—(11).

The Committee resumed discussion of its draft report to the House relating to the White Paper on Broadcasting (1966).

At 4.05 p.m., the division bells ringing in the House, the Committee adjourned until later this day. At 5.00., the Committee resumed.

Following further amendments to the draft report, and the discussion still continuing, at 6.00 p.m., the Committee adjourned until 9.30 a.m. on Thursday, March 16.

25696—3½

THURSDAY, March 16, 1967.
(73)

The Standing Committee on Broadcasting, Films and Assistance to the Arts met this day, *in camera*, at 10.15 a.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Allmand, Fairweather, Hymmen, Jamieson, MacDonald (*Prince*), Macquarrie, McCleave, Pelletier, Richard, Stanbury—(10).

The Committee resumed discussion of its draft report to the House relating to the White Paper on Broadcasting (1966).

Agreed,—That the Eleventh Report of this Committee should include the relevant sections of the White Paper on Broadcasting.

After further deliberation and amendments, and the discussion still continuing, at 12.30 p.m., the Committee adjourned until 3.30 p.m. this afternoon.

AFTERNOON SITTING
(74)

The Committee resumed, *in camera,* at 4.15 p.m. The Chairman, Mr. Robert Stanbury, presided.

Members present: Messrs. Berger, Hymmen, Jamieson, MacDonald (*Prince*), Macquarrie, Mather, McCleave, Munro, Stanbury, Thomas (*Maisonneuve-Rosemont*)—(10).

Agreed,—That the Committee print 1500 copies of its Eleventh Report to the House in a bilingual booklet.

Following further consideration and amendments to the draft report to the House, it was adopted and the Chairman ordered to present it to the House as the Committee's Eleventh Report.

The Committee housing concluded its discussion of its draft report to the House, the Members of the Committee thanked Mr. Stanbury, Mr. Slack and the other supporting staff of the House of Commons for their assistance.

At 6.00 p.m. the Committee adjourned to the call of the Chair.

M. Slack,
Clerk of the Committee.

APPENDIX 19

(This document was an Appendix to the C.B.C. brief presented to the Committee on December 1, 1966)

THE WHITE PAPER ON BROADCASTING REVIEWED BY THE CANADIAN BROADCASTING CORPORATION

(Section numbers correspond to those of the White Paper)

INTRODUCTION

1. Objectives

The Corporation wholeheartedly supports this restatement of the objectives to be sought by all elements in the national broadcasting complex.

These objectives are "to preserve and strengthen the political, social and economic fabric of Canada...the most important objective of public policy"; to provide Canadian broadcasting in the ways which will contribute most effectively to the national resolve for Canadian identity and the essential goal of Canadian unity.

2. The Advisory Committee

The Corporation has re-examined the representations it made to the Government last year on the Report of the Advisory Committee. The following comments stress those matters which the Corporation continues to believe essential to the achievement of the stated objectives of national broadcasting.

PUBLIC CONTROL OF BROADCASTING

3. General principles

The Corporation agrees with the principle of public control of broadcasting, the need for both public and private elements in our broadcasting structure and the need for both to be subject to certain well-defined regulatory requirements, the predominant place of the public element (CBC), the right to freedom of expression in broadcasting, including the right of the public to hear differing views, and the need for Parliament-Government to determine broadcasting's physical structure.

Most of the foregoing ends may be achieved in more than one way, so a choice of method must be made and stated, either in legislation or by the body to whom relevant authority is delegated.

It is still the Corporation's view that the means to be used, which have yet to be finally decided, are as vital to the success of Canadian broadcasting as the ends to be sought. In later sections of this document the Corporation makes certain suggestions involving the choice of methods. It does so from long experience as both governor and governed within the overall pattern of broadcasting and from a recognition of changing needs.

4. The Regulatory Authority

The Corporation is seriously concerned about the emphasis which the White Paper places on the "single-system" concept. It believes that Canadian broadcasting today, the product of forty years experience, is made up to two systems, a public one and a private one, and that, if broadcasting as a whole is to be dealt with realistically, the two must be recognized as separate. (The two-system concept is discussed at more length in Sections 12 and 14 below and in Sections 3 to 15 of the document which precedes this appendix.)

The Corporation believes the Board of Broadcast Governors should have full authority over both public and private elements in all matters requiring general regulations. Proposed new or changed regulations should continue to be presented for consideration at public hearing prior to enactment. This provides broadcasters and others concerned with the opportunity to be heard and to assist the Board in assessing the practical implications of the proposals.

Licensing—The Corporation supports the idea of the BBG as the licensing authority for all broadcasting outlets, including those of the Corporation. Further comments about licensing conditions for CBC stations are made in Section 7 below.

Direction by Cabinet—Comments on the question of "formal direction" to the BBG by Cabinet relative to the structure of the system are made in Section 5 below.

Affiliate Agreements—The delegation of full power to the BBG to "regulate the constitution of and conditions of affiliation to all television and radio networks, both public and private" is accepted in principle as the best arrangement available under present conditions where both CBC and private stations form part of the same network. (The question of affiliation is discussed more fully in Section 5 below—pp. 6-7.)

Research—The Corporation will be pleased to collaborate with the BBG on matters requiring research. Early development of a mutually-determined long range program is desirable.

Composition and Authority of BBG—It is the view of the Corporation that authority within the public broadcasting Board should rest with the Board as a whole, including the part-time public representatives, rather than be confined to one or more professional broadcasters or administrators. The proposed rotation of new appointments will assure continuity of experience within the Board. This, plus the professional advice available, would assure the Board a wider range of public representativeness and at the same time minimize the risks due to inexperience.

5. The Structure of Broadcasting

It is the Corporation's view that some of the most important decisions of detail yet to be made pertain to the structure of the system. The structure involves the development of technical means through which the Canadian people receive program services, public and private.

The White Paper is clear on principles. It envisages the needs of the public element, the national broadcasting service, as predominant (page 7); it looks to the extension of CBC English and French program services at an accelerated rate to Canadians presently without broadcasting service (page 9); the cost of extending the *full* national network services in both official languages from coast to coast is to be studied (page 9); and alternative television service is regarded as a near-essential (page 10). The Corporation supports all these statements of the White Paper.

It would appear from the foregoing that the principle recommended by the BBG, the CBC and some private broadcasters—that the combination of a CBC and a private station is the best combination to provide alternative service—is implicit in the White Paper. The principal argument in favor of the CBC-private combination, compared with a combination of two private stations, is the wider range and variety of programming it offers.

Alternative Service—Accordingly, the Corporation recommends that it be designated as the next licensee in all areas served only by private stations, that it develop an orderly plan of self-coverage to that end, and that private stations be designated to provide the alternative service in areas served only by CBC stations.

The Corporation suggests that under this approach coverage plans be developed in co-operation with the BBG and existing private stations and that the rate of advent of second stations be governed by the ability of each area, under criteria established by BBG, to accommodate another outlet.

The provision of alternative service would thus be carried out on a basis known in advance to Parliament and Government, which must provide the public funds required by the CBC, and to BBG and private broadcasters, who must be concerned with the economic health of the private stations.

Reservation of Channels, Frequencies—Acceptance of the principle that alternative service should be provided through a combination of CBC-owned and privately-owned stations would also simplify the task of reservation of channels and frequencies which is foreseen in the White Paper. Channels and frequencies might well be reserved for private broadcasters and special uses, as well as for CBC. The general allocation could be made under the aegis of a BBG-chaired Joint Planning Committee with individual licences to be issued by BBG following public hearings. BBG, CBC, DOT and private-station representatives would make up the Committee.

Under this approach the Cabinet would be relieved of the necessity of acting, in effect, as a third broadcasting Board dealing on an ad hoc basis with the assignment of channels, and frequencies and giving formal direction to BBG. Instead, and to assure ultimate control by the Cabinet on behalf of Parliament of these public assets, the proposed general allocation of channels and frequencies by the Joint Planning Committee should be subject to Cabinet approval. Further public control is provided through the White Paper suggestion that appeals can be made to Cabinet on station licensing decisions by the BBG.

CBC Coverage—Since there is some confusion within the industry as to whether alternative service in single-station areas is to be provided by CBC or private broadcasters, a clarifying statement by the Government, based on White Paper principles, as summarized earlier in this section, would be most helpful to BBG, CBC and private broadcasters. It would expedite planning and prevent unnecessary duplication of effort.

A long-range program of self-coverage in television and radio for the CBC could greatly simplify the structure of the system and improve program services for over 5,000,000 Canadians. Although all Canadians pay for *full* CBC service about 5% of them have no service and about 25% only *partial* service. They receive this through the co-operation of over 100 privately-owned television and radio stations which are affiliated with CBC networks. On the English networks, for example, these affiliates are required to carry from 35 to 40 hours a week of CBC television programming and about 25 hours a week of CBC radio programming, the higher volume in television being chiefly attributable to the popularity of the latter as a commercial vehicle. However, full CBC national network service is approximately 60 hours per week in television and some 70 hours per week in radio, all of which, plus additional hours of CBC regional and local service, is available to about 70% of Canadians through CBC-owned transmitters.

Generally speaking, the private affiliates cannot be expected to carry more of the CBC service. Under present conditions they must provide local service as well as be part-time outlets for the national service and, as a result, they cannot do either task completely. The public they serve—some 5,000,000 Canadians —receive neither a full national service nor a full local service. Only the combination of a CBC station and a private station functioning side by side will provide the public of these areas with the breadth and choice of programming now available to some 14,00,000 other Canadians.

The Corporation will require the services of some affiliates for many years to come in both radio and television. However, the unavoidable strains stemming from the differing needs and responsibilities of public and private broadcasters can be greatly eased through the establishment of CBC stations in the larger affiliate centres as economic and other priorities permit and as part of a continuing program of CBC self-coverage.

Under the arrangement outlined here the role of the BBG as regulator or arbitrator of terms of affiliation between the CBC and private stations would also be simplified. As arbitrator, the BBG is in a difficult and complex situation. Network affiliation may include such matters as network rates, payments to stations and other matters requiring an intimate knowledge of CBC operations and management. Although the White Paper designates management control as the exclusive function of the CBC Board, it would be difficult for BBG to avoid involvement in CBC operations should the terms of network affiliation become contentious. Obviously, any plan which will lessen the administrative complexities of the CBC-private station relationship, and at the same time achieve improved program service for the public, is desirable. (See also Sections 12 and 14 below.)

Pre-emption of Broadcast Time—The Corporation believes it would be helpful if the proposal for the Cabinet to give formal direction "on the pre-emption of broadcast time for special purposes or in an emergency" could be clarified. In cases of national emergency this need is unquestioned. It is the definition of "special purposes" in other than such cases which is important in terms of the "total delegation of authority over programming" mentioned on page 7 of the White Paper.

The question of provincial or local emergencies also arises. While broadcasters always respond to public need in emergencies it might be helpful to designate the BBG as the authority to give direction in such cases should it be required.

Elegibility of Licence Applicants—In the view of the Corporation it would be preferable if, as far as possible, public policy on this subject were incorporated in broadcasting legislation.

6. New Television Channels

The Corporation strongly favors a planned and coordinated use of broadcasting channels and frequencies. It suggests (in Section 5 above) that a Joint Planning Committee be created under legislation to plan the use of broadcast channels and frequencies for UHF and VHF television, for AM and FM radio and for educational purposes.

The only other broadcasting demands for channels which the Corporation foresees are those resulting from the introduction of satellite transmission. The first stage of satellite use will not involve any decrease in the need for ground stations, which at this stage will still be required to receive and broadcast satellite transmissions. In addition the allocation of frequencies for transmissions to and from the satellite(s) will be required.

7. Programming

The Corporation is in general agreement with the various points raised in this section of the White Paper. However, it believes there is need for further discussion of the proposal to establish separate conditions of licence for every broadcasting station, CBC-owned and privately-owned alike. In the Corporation's view the idea of setting separate conditions of licence for each private station is justified by (1) varying local situations in different station areas, (2) variations in ownership, direction and management attitude of each station and (3) the absence of a legislative mandate for private broadcasters.

Of the above three conditions, the last two do not apply at all to CBC stations and the first applies with much less force than it does to private stations because of the "national" role of CBC stations. All CBC stations operate under common direction with a common purpose and their common mandate is to be made part of the new broadcasting legislation. The Corporation believes it is an unnecessary complication to have the CBC's program mandate stated generally in the Act and specifically as a condition of licence for each of its 53 network broadcasting stations. The legislative requirement should be sufficient, keeping in mind the common public direction and ownership of all CBC stations. The Corporation believes that the performance of its stations over the past thirty years justifies this.

In the Corporation's view there is a major difference between CBC-owned and privately-owned stations, a fact implicit in the White Paper's proposal for different treatment of CBC and private stations for any infringement of licence conditions.

8. Ownership of Canadian Facilities

The CBC is in agreement with the expressed principle. Insofar as it applies to community antenna television or to rebroadcasting stations the reference to "the extension of ownership geographically in a manner that is not in the public interest" is of particular interest. Until the role of rebroadcasting stations and CATV systems is clearly established the Corporation must remain concerned with their possible effect on the national broadcasting service and its future development.

9. Educational Broadcasting

The Corporation strongly endorses the proposal to provide UHF television channels and associated facilities for educational broadcasting. It is not clear from the White Paper as to whether these facilities may also be used for non-educational broadcasting purposes. The implications of this possibility would appear to merit study.

Assuming the facilities are to be used only for "formal" educational broadcasting, i.e., broadcasts related to the curricula of schools, universities, etc., there are strong arguments for designating the Corporation as "operator" of the new facilities with, of course, program content to be the responsibility of the provinces and with the BBG playing the role outlined on page 13 of the White Paper.

This suggestion that the CBC should be so designated is made for the following reasons:

(a) The Corporation's long history of co-operation with the provinces in radio and television school broadcasts.

(b) The Corporation's program experience and know-how which close association would make readily available to the appropriate educational authorities.

(c) The Corporation's technical experience and knowledge.

(d) The financial and other economies which could result from establishing the new facilities at the site of existing CBC studio and transmitting facilities. This would not only effect capital economies but many existing CBC services, such as properties, scenery, make-up facilities, etc., could be integrated with the needs of educational programming.

(e) The close programming relationship which would inevitably develop between educational broadcasting and certain categories of CBC programming, e.g., drama, public affairs, etc.

(f) The likelihood that CBC will have to continue some of its present educational broadcasting activities for some years to come in areas (a) where CBC facilities are the only ones available for educational purposes and (b) where provincial participation in the new undertaking is for any reason restricted or delayed.

The designation of CBC, as proposed, would also eliminate the possibility of overlap and conflict in program responsibilities which could arise if a second public broadcasting agency were to be established.

10. Community-Antenna Television Systems

The Corporation welcomes the decision to treat these systems as components of the national broadcasting system, subject to licensing, regulation and control by BBG.

11. Penalties and Appeal Procedures

The Corporation notes that neither monetary penalties nor suspension or revocation of licence may be applied to CBC stations by BBG. Comment on the proposal that BBG be empowered to give directions to CBC as a substitute for the foregoing measures is made in Section 12 below.

The Corporation further notes that it will share with private broadcasters the right of appeal to the courts.

THE CANADIAN BROADCASTING CORPORATION

12. The National Broadcasting Service

The Corporation fully endorses the designation of the Board of Broadcast Governors as the overall regulatory and licencing authority for the broadcasting system and as the arbitrator of any dispute between public and private broadcasters. However, it has grave reservations about the proposal to have the BBG determine "the nature of the service provided" by CBC stations.

More generally, it is seriously concerned about those parts of the White Paper which indicate a three-way division of authority and responsibility for the CBC, among the Cabinet (physical development), BBG (program policy) and CBC Board (management).

The Corporation's reporting relationships under the proposed sharing of authority are not entirely clear. Would the CBC Board report to BBG for the complete range of Corporation activities or only for program performance? Would it report to the Cabinet on matters of finance and physical development? If so, would it report *to* a Minister or *through* a Minister to Parliament? These are not rhetorical questions; they go to the heart of the Corporation's position as a public agency subject to public authority. It is vital that these reporting relationships be such as will avoid duplication of supervision and assure the necessary degree of CBC program independence, while providing the necessary degree of public control over the Corporation.

The CBC believes that the relationships suggested in the White Paper would place the BBG and the Cabinet in a near-impossible position. They would face the choice of accepting without question the reports and recommendations of the Corporation or of becoming deeply involved in its operations and management. The role of the CBC Board would be drastically reduced, with all major matters of program policy, planning and finance requiring reference upward for decision. Moreover, should BBG authority be vested in five full-time members, as

proposed, program policy for the CBC would, in effect, be made by a handful of permanent broadcasting officials rather than by a broadly representative Board with the power to impose its views on the professionals.

The proposed division of authority over CBC policy between BBG and CBC could only result in extensive duplication of effort between the two boards. It would certainly impose a greatly increased work load on CBC management as a result of the need to document, explain and justify its operating decisions to two Boards instead of one. It is the considered opinion of the Directors of the Corporation that the national broadcasting services cannot be successfully and efficiently operated under these arrangements.

The size, nature and importance of the CBC are such that its policies and operations require the attention of a Board with no other broadcasting responsibilities. The Corporation believes this to be equally true of the large and growing private sector.

Therefore, the Corporation repeats the view expressed on page 11 of its Comments on the Report of the Advisory Committee on Broadcasting that "the question of one Board or two Boards should be decided on practical grounds. Canadian broadcasting has already moved consierably away from the original single system concept and towards the ultimate separation of its publicly and privately-owned elements. This separation may take years but any major move in the overall administration of the system, or systems, should be geared to the needs of the future and not to those of the past."

The Corporation recommends retention of the present two boards with substantially the same powers as at present, but with clarification of their respective fields of authority in areas of mutual concern.

However, should it be decided otherwise, the Corporation recommends that a single Board be given authority over all Canadian broadcasting, public and private, and that this Board be the Board of Broadcast Governors. The Corporation believes that such a one-Board system, despite its short-comings, would be preferable to major divisions of authority and responsibility for the policies and operations of the CBC between two Boards.

13. The Mandate of the Corporation

The Corporation welcomes the White Paper's support of the mandate which has been developed over the past thirty years. Legislative confirmation of the CBC's objectives will be most helpful to everyone interested in public broadcasting.

However, further substantial progress towards these objectives will, in the opinion of the Corporation, involve the allocation of additional public funds for program improvement and enrichment, the reduction of the commercial revenue requirements and the further development of the Corporation's production and transmission facilities. Comment on each of these points is made in other sections of this document.

14. The Board of Directors

The Corporation agrees with the White Paper that "the field of management and operational policy" in the CBC is sufficiently large to require the attention of

a separate Board. The Corporation goes further, however, and believes that the field of program policy for the national broadcasting service is sufficiently large to require the attention of a Board which has no broadcasting responsibilities outside the public sector. As outlined in Section 12 above, it is this "policy" responsibility which most concerns the Corporation. It does not believe policy and operations can be successfully divided between two public Boards.

The Corporation requires the services of several Directors qualified in management matters. It needs even more the services of several Directors qualified to direct and assess the Corporation's program performance, the reason for its existence. The national broadcasting service requires a *complete* Board, capable of dealing with both the tangibles of administration and the intangibles of programming. The CBC does not believe this dual requirement can be met by dividing responsibility for it between a BBG already burdened with other heavy responsibilities and a CBC Board whose responsibilities are restricted to management and operational direction.

Knowing the range of experience and representation required in a CBC Board the Corporation welcomes the decision to provide "adequate representation" and the overlapping of terms of appointments of Directors. It is the Corporation's view, already expressed in its comments on the report of the Advisory Committee on Broadcasting, that adequate representation means 15 Directors of whom five would be French-Canadian. The Corporation favors the White Paper proposal for the appointment by the Governor in Council of a President, who will be chairman of the Board, and the appointment by the Board of a chief executive officer.

Much of what is said here and elsewhere in this review about the administration of broadcasting, the division of authority, etc., has already been stated at length in the Corporation's March, 1965 brief to the Advisory Committee (reproduced in the CBC Annual Report for 1964-65, especially pp. 6-7) and in its November, 1965 comments on the Report of the Advisory Committee (reproduced as an appendix to the Annual Report for 1965-66, especially page VI).

These documents are referred to here because they deal at some length with a number of points which the White Paper refers to briefly or not at all. The Corporation has particularly in mind the point of reporting relationships about which several questions are raised on page 14 of this review. In the Corporation's view clear-cut and realistic reporting relationships between BBG and CBC and between both and Parliament-Government are essential if effective working liaison is to be developed and friction avoided. Above all, the Corporation hopes that it can have an effective relationship with Parliament.

15. Financial Provision

The Corporation welcomes the proposal for provision of public funds by means of a statutory five-year grant. It is convinced that this step will greatly improve the CBC planning function. The Corporation is obviously concerned about the adequacy, in relation to the carrying out of its mandate, of the financial formula which will ultimately be decided on. It is also concerned that the formula should be sufficiently flexible to allow for unforeseen developments over the statutory five-year period.

16. Commercial Activities

This section is of great practical concern to the Corporation. It requires the CBC not to increase its present volume of commercial programming and, at the same time, to retain a 25% share of all television advertising and 4% of all radio advertising over the next five years. These two requirements are incompatible since the Corporation has no control over the total dollar volume of advertising sales in Canada. In other words, the Corporation's sales quota is being fixed, not in relation to total CBC expenditures, but in relation to total expenditures outside the CBC.

Revenue projections based on the best information currently available to us indicate that, if it continues to obtain 25% of the television advertising market, CBC's net television income will increase from a current $23,000,000 per year to an estimated $33,000,000 per year in 1969-70. By 1972-73 this would be an estimated $43,000,000. This would be almost certain to mean a big increase in the volume of commercial programming relative to other CBC programming, with all that this implies for the program schedule and the carrying out of the Corporation's mandate.

In radio the implications of the commercial revenue formula are less serious since it is proposed that radio obtain only 4% of the market as compared with CBC television's 25%. However, the 4% requirement certainly implies a substantial increase in radio revenues and, consequently, in the volume of commercial programming. Specifically, it would mean net commercial revenue of $2,900,000 in the current year, $3,400,000 in 1969-70, and $4,000,000 in 1972-73.

Corporation revenue forecasts, projected annually from 1965-66 to 1972-73, have been completed and the Corporation urges that these be the subject of discussion with the Government prior to a firm decision on the CBC commercial requirement.

Unless the CBC is to become fully commercial, selling its news, opinion programs and other program categories traditionally withheld from sale, a practical net sales target for CBC television by 1971-72 is $31,000,000 vis-a-vis a requirement of $40,000,000 under the 25% proposal; for radio it is $2,000,000 vis-a-vis a requirement of $3,800,000 under the 4% proposal.

The foregoing covers only the practical sales aspect. Far more serious is the Corporation's inability to make needed program changes and improvements, especially in prime time, because of present commercial commitments and requirements. A requirement to maintain 25% of total Canadian television advertising expenditures under expanding market conditions could only aggravate this situation and prevent indefinitely the attainment of program objectives implicit in the Corporation's mandate.

The conflicting objectives of widening the variety and improving the quality of CBC programs and at the same time increasing CBC commercial revenues cannot be achieved. In the Corporation's view the required program improvements can only be made through a reduction in the volume of sponsored programs and a corresponding increase in public funds.

CBC can only increase its sales at the expense of its program service. If program quality, variety and Canadian content are to be maintained and improved, not more than $25,000,000 net per year should be realized on commercial

sales over the next five years. The stabilizing of dollar volume, accompanied by a foreseeable gradual increase in rates, would produce a gradual decrease in the volume of CBC commercial programs, thus freeing time for other program purposes and leading to the necessary schedule improvements.

Economic studies, by the Corporation and others, on potential advertising revenues over the next few years have been completed since the White Paper was published and the Corporation recommends that the White Paper proposals concerning CBC commercial revenue be reviewed in the light of these.

The Corporation's considered views on this subject are set forth at more length in the CBC comments on the Report of the Advisory Committee, reproduced as an Appendix to the 1965-66 Annual Report, pp. XIX-XX.

17. Headquarters and Consolidation Plans

The Corporation is taking necessary action, where possible, on the suggestions made in the White Paper.

18. Color Television

The Corporation believes that the decision to restrict CBC color development through 1969-70 to plans already announced will, in the face of the unhindered color development allowed private broadcasters here and in the United States, hamper the effectiveness of the public service provided by the Corporation. Consequently, the Corporation recommends that a continuing review of the situation be made not less often than annually to decide if the restriction should continue in effect.

19. The Northern and Armed Forces Services

The Corporation welcomes the improvements proposed in the White Paper.

20. The International Service

The Corporation is taking action to achieve the recommended integration of the International and domestic services.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translated by the General Bureau for Translation, Secretary of State.

LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

First Session—Twenty-seventh Parliament

1966-67

STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. ROBERT STANBURY

PROCEEDINGS

No. 43

WEDNESDAY, APRIL 26, 1967

WHITE PAPER ON BROADCASTING (1966)

INCLUDING TWELFTH REPORT TO THE HOUSE

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

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STANDING COMMITTEE

ON

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Chairman: Mr. Robert Stanbury

Vice-Chairman: Mr. Jean Berger

and

Mr. Allmand,	Mr. MacDonald (*Prince*),	Mr. Prittie,
[1]Mr. Béchard,	Mr. Macquarrie,	Mr. Prud'homme,
Mr. Brand,	Mr. Mather,	[2]Mr. Reid,
Mr. Cowan,	Mr. McCleave,	[3]Mr. Régimbal
Mr. Fairweather,	Mr. Munro,	Mr. Richard,
Mr. Hymmen,	Mr. Nugent,	Mr. Sherman,
Mr. Jamieson,	Mr. Pelletier,	Mr. Simard,
Mr. Johnston,		Mr. Yanakis—(25).

M. Slack,

Clerk of the Committee.

[1] Replaced Mr. Thomas (*Maisonneuve-Rosemont*) on Friday, April 7, 1967.

[2] Replaced Mr. Mackasey on Friday, April 7, 1967.

[3] Replaced Mr. Forrestall on Friday, April 7, 1967.

ORDER OF REFERENCE

FRIDAY, April 7, 1967.

Ordered,—That the names of Messrs. Béchard, Reid and Régimbal be substituted for those of Messrs. Thomas (Maisonneuve-Rosemont), Mackasey and Forrestall on the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

REPORT TO THE HOUSE

WEDNESDAY, April 26, 1967.

The Standing Committee on Broadcasting, Films and Assistance to the Arts has the honour to present its

TWELFTH REPORT

On Tuesday, March 21, 1967, your Committee presented its Eleventh Report relating to the White Paper on Broadcasting (1966).

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 29 to 43 inclusive*) is tabled.

Respectfully submitted,

ROBERT STANBURY,
Chairman.