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FRANK W. PEERS

The Politics of Canadian Broadcast- 1920 1951 casting

The Politics of Canadian Broadcasting 1920–1951

*A study of the development of
Canadian broadcasting
from the beginnings of radio to the
advent of television*

FRANK W. PEERS

The essential issues in Canadian broadcasting, still the focus of political controversy, emerged thirty years ago. In its first decade, Canadian broadcasting followed the American pattern of private ownership with little government control. But in 1932, with the creation of the Canadian Radio Broadcasting Commission, the Canadian government adopted a policy that broadcasting should be an instrument of national purpose. A mixed system of private and public ownership developed: the commission broadcast programs and also regulated the broadcasting of private stations. The conflict which soon developed in the industry between service and profit as the purpose of broadcasting is still an issue today.

In this comprehensive analysis of the development of Canadian broadcasting policy, Professor Peers describes the contending forces, the politicians, pressure groups, newspapers, and business interests that joined in the conflict. Struggles between broadcasters and government leaders, between political parties, between members of the same party and between broadcasters themselves, went on both openly and behind the

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scenes. The fascinating story of these power struggles is told for the first time, and their significance in the development of the Canadian broadcasting system is placed in perspective.

Professor Peers also examines the two royal commissions and eleven parliamentary committees which investigated radio broadcasting between 1928 and 1951. He assesses their influence and effectiveness as well as the role played by parliamentary debates during the period. This is an exhaustive account of the development of Canadian broadcasting, and an excellent case study of the political process.

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14 regulations dealt with program content. For example, programs imported from foreign countries were not to exceed 40 per cent of the daily schedule; the commission asserted its right to check advertising copy; mention of prices was forbidden in commercials; advertising was not to exceed 5 per cent of program time except with the permission of the commission; spot announcements were forbidden in the evening hours; and the broadcasting of station "editorials" was forbidden. Two or three of these regulations became the centre of controversy during the commission's term of office; but in the main, the regulations were continued after 1936 by the Canadian Broadcasting Corporation almost unchanged.

The imposing of higher technical standards on existing stations caused some resentment, which was reflected in the press and in Parliament.²⁹ When frequencies were re-allocated, the commission was blamed for the inconvenience which listeners felt in adjusting their tuning habits, and for the annoyance in finding that some favourite but perhaps distant station was no longer received clearly. Such complaints got a thorough airing in the special radio committee which met in 1934.

The commission was hardly installed in office before the question of broadcasts by the Jehovah's Witnesses came before it. On the basis of statements broadcast by Judge Rutherford, leader of the sect in the United States, the commission advised all stations that Rutherford's speeches were not to be broadcast until the texts had been submitted to the commission for clearance. The Jehovah's Witnesses retaliated by attacking the commission, and especially Charlesworth as a liar, thief, Judas, and polecat, and therefore fit to associate only with the clergy.³⁰ Certain members of parliament were provided with the text of an editorial which *Saturday Night* had carried in 1927; in it, Charlesworth had referred to "Judge" Rutherford as a "heavy-jowled flannelmouth." In Parliament, J. S. Woodsworth expressed his concern that Rutherford's speeches were being cut off the air before his statements were proved libellous. The attacks on the commission by Liberal members brought a spirited defence from Bennett. He said the attacks were made for the purpose of destroying this publicly owned service. The opponents were not very numerous, but they were very vocal, and "the opposition to our system is not limited to Canada." The Canadian people had made a choice between private and public ownership. Now the public system must be given a fair chance.³¹

29 / For example, *Evening Telegram*, April 1 and May 2, 1933 (quoting the *Moose Jaw Times*); *Debates*, May 11, 1933, p. 4859.

30 / *Debates*, April 3, 1933, p. 3631.

31 / *Ibid.*, April 21, 1933, pp. 4151, 4168.

This debate took place in the third week of April 1933, only three months after the commission formally took office. The commission had started to operate as a programming body even before this. In their haste and inexperience, the commissioners ran into administrative and personnel difficulties that could only cause misgiving among the friends of a publicly owned system of broadcasting. The only person in a senior post with experience in administering a national program system was E. A. Weir, who at Charlesworth's invitation had transferred from the CNR as program director. Weir understood that he would have some degree of operational autonomy, with the commissioners concentrating on policy questions. To Maher and Steel, he appeared unco-operative and slow-moving; they did not think of him as a chief executive, conceiving that to be their role. Weir had started negotiations for a contract with the wire line companies; the commissioners became impatient, and Steel took over the negotiations himself. Next the commission complained that Weir was not developing programs fast enough. In February he was demoted, and given responsibility for programs originating west of Montreal; Arthur Dupont, who had been manager of CKAC, the *La Presse* station, was to arrange programs from Montreal and the East. Weir worked under Charlesworth, and Dupont under Maher; later Maher assumed full charge of programs. In June Weir was removed from program work entirely, and his salary reduced by one-third. In July, while Charlesworth was in the West, there was an administrative mix-up involving a request for a program feed from Montreal for CBS in New York. Although mistakes were made by several persons, including one of the commissioners, it was decided that Weir should be the scapegoat, and he was dismissed. The *Winnipeg Free Press* got wind of the story, and while they were investigating, Charlesworth sent a rather scurrilous letter to the editor, John Dafoe. Dafoe concluded that Weir's dismissal was "a very dirty job."³² Weir appealed to the prime minister, and left with him an account of his last meeting with the commission, attested by a lawyer who had sat in on the meeting. Bennett received Weir sympathetically, but no other position in government service was forthcoming. Bennett's correspondence at this time with Maher shows sharp displeasure with the actions of the commission on a number of matters.³³

32 / PAC, Dafoe Papers, Charlesworth to Dafoe, Aug. 24, 1933; Dafoe to Grant Dexter, Aug. 30; Dexter to Dafoe, Sept. 2 and Oct. 6, 1933. The story of Weir's demotion and subsequent dismissal was fully reviewed by the 1934 Special Committee on the Operations of the Commission under the Radio Broadcasting Act, 1932 (as amended), *Minutes of Proceedings and Evidence*, pp. 434-58, 537-56; hereafter cited as *1934 Proceedings*.

33 / Bennett Papers, Bennett to Maher, Sept. 16 and 27, 1933.

Weir's story did not become public until the 1934 parliamentary committee hearings, but because of Weir's connections in the broadcasting industry and in the Canadian Radio League, the shabby treatment he received did nothing to increase confidence in the commission's ability. Weir's place as director of programs from the West was taken by Ernest Bushnell, former manager of CKNC in Toronto. Both Dupont and Bushnell had been strong critics of a publicly operated system of broadcasting, having appeared as spokesmen for private broadcasting interests before the 1932 Radio Committee.³⁴

Each commissioner continued to take an active part in daily operations. Steel was in charge of all technical matters, including the regulation of stations, engineering development, the contract for wire lines, and arrangements for circuits. Maher was responsible for program development, and Charlesworth took on the regulation of advertising in addition to his more general functions as commission chairman.

During the first week of February, the commission scheduled two hours of national broadcasting a week. By May there was a daily service of one hour; regional programs were added in June; and by autumn there were two and one-half hours of national programs each evening, in addition to a Sunday afternoon schedule and a number of regional programs. But the relatively rapid development of programs in the early part of 1933 did not mute the criticisms heard in Parliament and elsewhere: allegations that the commission was a partisan body; that it was inexperienced and blundering; that it was upsetting the broadcasting patterns to which listeners were accustomed; that it was a government stooge, or conversely, that it was not really accountable to anyone.

3 *Murray's Recommendations*

Gladstone Murray arrived in Canada in April and after travelling across the country, sounding out opinion in each major centre, he wrote three reports. The first was an interim report, incorporated in a letter dated May 5 to the minister of marine. This was read to the House of Commons on May 11, and resulted in a bill to amend the Canadian Radio Broadcasting Act of 1932.³⁵ The second was a memorandum of general observations on the problems of the commission, which went to Bennett,

34 / J. A. Dupont remained with the CBC as commercial manager for the Quebec region until 1945, when he left to head a new Montreal station, CJAQ. E. L. Bushnell was with the CBC until 1959, as director general of programs and later as vice-president. He left to start a private television station in Ottawa, CJOH-TV. E. A. Weir was re-hired by the CBC in January 1937, and was commercial manager until his retirement.

35 / Bill no. 99; *Debates*, May 10, 1933, p. 4813.

to Mackenzie King, and to Woodsworth on May 24 (three days before the end of the parliamentary session). The third document was Murray's final report, submitted on July 25, and made public a few weeks later. This twenty-seven-page report was entitled "National Radio in Canada." Only Murray's interim report was acted upon. The bill based on his report prompted a stormy debate in the House. The issues discussed in this debate and in Murray's final report were never resolved in the commission's lifetime, at least to the satisfaction of the Liberal opposition. The Liberal dissatisfaction finally led to the passing of a completely new Broadcasting Act in 1936.

Murray's first interim report suggested that the Canadian Radio Broadcasting Act needed amending if it was to fulfill "the unanimous will of parliament." First, appointments by the commission should not have to conform to the Civil Service Act. "Broadcasting, while too important to be left to private enterprise, is nevertheless too sensitive to be brought fully into the machinery of state. ... The authority created by parliament should be empowered to choose ... those who are to carry out the work."

Second, the detailed expenditures of the commission "should not be allowed to become the subject of debate on the floor of the House of Commons. The essence of public service broadcasting is to keep it clear of party political warfare. It seems to me that procedure by order in council would surmount the objection of inadequate public control. ... As in the case of the British House of Commons, it is highly important to confine discussion on broadcasting to broad matters of policy, avoiding detail in all directions." Murray suggested that approval by order in council (that is, by the government rather than by parliament as a whole) was sufficient even in the leasing or purchase of stations. (While Duranleau was reading this section of Murray's report, Lapointe interjected, "Send that gentleman home.")

The third recommendation was that "the revenue accruing from the licence fee paid by listeners should not be regarded as part of the consolidated fund, as apparently is the case at present." Murray said that this only led to confusion and the incorrect charge that the commission was a burden on the general taxpayer. (Lapointe: "Are we doing anything to this gentleman for lecturing parliament?") Murray might have added that the government had already realized a million dollars in general revenue from the increased licence fee, which in fact was never made available to the commission. In the fiscal year 1932-3, the licence fee revenue totalled over \$1,290,000; but the CRBC received only \$150,000.³⁶

36 / Canada, *Public Accounts*, 1933, p. 25.

Murray's fourth recommendation was that "there should be no impediment to a moderate scheme of development" in creating new stations to extend effective coverage.

In the debate, Duranleau charged that the opposition was not consistent in criticizing the commission and at the same time denying the commission "the tools which they think they need to make a success of their administration." For the Liberals, Ian Mackenzie replied that despite the minister's attempt to defend the commission, "it is a fact they are today a very distinctly unpopular body throughout Canada. ... Speaking for myself, may I say that I have not sufficient confidence in the present personnel of the radio commission to entrust them with control over their employees, and my distrust is shared by a great majority of the Canadian people." Lapointe agreed with Mackenzie's assessment.

The opposition reviewed all the grievances it had formerly expressed: the partisan background of one of the commissioners; the granting of a licence to a Conservative newspaper in Montreal; the situation in Windsor where the station was effectively an American outlet; the unguarded public statements of the commission chairman; the attempt to make appointments outside the regulations of the Civil Service Commission. The Radio Commission was defended by a Conservative member of the 1932 Radio Committee, Onésime Gagnon, who recalled that Major Murray, "a distinguished Canadian," had appeared before the committee in 1932 at the request of members of all parties. Euler, a leading Liberal in the 1932 committee, suggested that the commission had not performed satisfactorily. He would not agree that all of the commission's employees should be removed from the Civil Service Commission's control, because of the danger of political patronage; and he insisted that capital expenditure at least should be approved by Parliament, as was done in the case of the CNR. He conceded that the commission should make its own appointments of "technical advisers and artists."³⁷

Duranleau defended the commission's record to date, and gave the first authoritative statement about what the commission intended to do: "It is the intention of the commission to organize a complete wire chain across Canada, tying in all the principal stations in each area throughout the country. ... Canadian programs of the very highest calibre will be transmitted. ... It is the intention of the commission to have available at least four hours of Canadian programs each day. These programs will be clear of all advertising matter. ... With respect to western Canada, it is

37 / *Debates*, May 11, 1933, pp. 4870-80.

the intention of the commission to build two powerful stations which will give entire satisfaction to the West ... in British Columbia and in Saskatchewan.”³⁸

But again it was Bennett who gave the most spirited defence of the commission set-up: “It is folly not to recognize the fact that a very persistent and determined effort is being made to destroy this commission. ... We know how this commission is looked upon by private interests outside of this country. We know exactly the powers in this country that were so disappointed because the radio committee did not report in favour of private interests controlling broadcasting in this dominion.” Bennett conceded “the unpopularity for the moment of this commission,” but asked that the members of the House be fair, and suggested that results could not be expected within the first few months.³⁹

Bill no. 99 was intended to carry out the first two of Murray’s recommendations. It specified that “the Commission may employ such technical, professional and other officers as the Commission may deem necessary or advisable, and such persons shall receive such salaries or remuneration as may be fixed by the Commission.”⁴⁰ In the committee stage, to meet Liberal objections, it was conceded that clerks and employees other than technical and program must still be appointed under the Civil Service Act; and even those whom the commission appointed directly were to be approved by the governor in council.⁴¹

The other amendments allowed the commission to acquire existing private stations by lease or purchase and to construct new stations, subject to the approval of the governor in council; and to spend not only the moneys appropriated by Parliament but revenues received from any business carried on under the act. To meet further Liberal criticism, Bennett offered to have the amending act expire on April 30, 1934. (The act was subsequently renewed each year.)

The discussion in committee was just as heated as in the preceding debate. King summed up the Liberal attitude on May 16:

May I tell the Prime Minister that it was a Liberal administration that appointed the royal commission that brought in the report on radio broadcasting, recommending that this service be made a government owned and operated utility. The Liberal party has taken its stand strongly behind that proposal, and we are just as anxious as the Prime Minister and honorable gentlemen opposite to see this government owned utility made a success and

38 / *Ibid.*, pp. 4865–7.

39 / *Ibid.*, p. 4887.

40 / Statutes of Canada, 1932–3, 23–24 Geo. v, parts I–II, c.35, “An Act to amend the Canadian Radio Broadcasting Act, 1932.”

41 / *Debates*, May 16, 1933, pp. 5104–5.

secure the confidence of the public. ... Any criticisms we may have to make from this side are directed not against public ownership as such but rather is an endeavour to remove those features which may tend to create prejudice against government ownership as it exists under the present radio broadcasting commission.⁴²

But in spite of King's disclaimer, much of the Liberal criticism was intended to discredit the commission itself. King charged that the commissioners were all "well known members of the Conservative party." C. G. Power said that "the so-called non-partisan member of the commission, a military man with the air of a martinet ... is endeavouring to dragoon the Canadian people into obedience to a commission which should never have been set up." An independent member of parliament, A. W. Neill, said that the way the commission was developing it was going to be "a curse to Canada, a curse to the people, and a curse to the government. ... When the public are dissatisfied now they can ... switch to another program. But now this radio commission is in force they will sit down and write to their government or their member. ... They will make complaints that they never would make to a private corporation."⁴³

Murray had recommended changes which would give the commission much more autonomy in operating a broadcasting service; but the amendments as passed provided little more autonomy than it had previously, except in the recruiting of technical and program personnel. If the commission was less dependent on Parliament in the establishing of stations, it was henceforth more dependent on the government.

The *Ottawa Citizen*, reflecting Bowman's views, felt that criticism was likely to continue session after session unless an unsalaried board of governors was instituted to take responsibility for the administration of broadcasting. The commissioners were too much the "salaried officials of the government." An independent board of governors, national in character, was needed to stand between the public and the salaried officials. And a general manager, responsible to the national board of governors, should be placed in charge of broadcasting operations. To allow this, the Broadcasting Act should be amended at the next session. Graham Spry was writing in similar vein in the *Weekly Sun*.⁴⁴

In his final report, written after his three-month tour of Canada, Gladstone Murray said that the "constitutional problem" – the retention of adequate public control without prejudice to the working efficiency of

42 / *Ibid.*, p. 5102.

43 / *Ibid.*, pp. 5087–90.

44 / *Ottawa Citizen*, May 13, 1933. *Weekly Sun*, April 26; quoted by Lapointe in *Debates*, May 11, 1933, p. 4899.

the system – still had to be solved. Murray reviewed the way in which the BBC was constituted, adding the comment that “the distinctive administrative machine of the BBC has become the model not only for many public utilities and other semi-public bodies throughout the world, but also for some commercial concerns.” While it did not follow that Canadians should copy any other constitution, Canadian broadcasting “must embody the reconciliation of remote State control with independent business management.” Murray hesitated to recommend any particular modification, but suggested that the term “company” or “corporation” should be substituted for “commission,” and that the commissioners should be freed from executive responsibility, concerning themselves mainly with matters of policy.

Although I discovered no foundation for the suggestion that the Commission was biased in politics or religion, I continued to encounter the view that if not actually, then potentially, it was an instrument of Government policy. If this impression is not dispelled the Commission will hardly gain either the support or the independence essential to the success of the work. ...

The idea of direct State management in addition to State control should be eliminated with the minimum of delay. This not only is vital to the vigorous and successful development of the work but is of great potential value in checking the present dangerous tendency to regard the machinery of national broadcasting as belonging to the area of party political patronage.⁴⁵

As the result of his conversations with the prime minister, Murray had no strong expectation that the changes he recommended would be instituted, and he decided to include an alternative suggestion:

If the internal development of the Commission should prove impossible for various reasons then one would advocate a consideration of a proposal to set up an operating company under the licence and general control of the Commission, but enjoying an adequate degree of independence. This Company would be in some ways analagous [*sic*] to the original British Broadcasting Company upon which the British broadcasting system was built. Such a constitution would protect the Commission, would relieve it of the executive responsibility which should not be its concern, while enabling it to act more effectively as trustee for the public interest, and would be calculated to acquire the confidence and support of the business community. An operating company, in short, might be devised as the most effective means of applying public service broadcasting.

The reorganization measures which Murray felt should be taken included the appointment of a general manager or director general,

45 / PAC, “National Radio in Canada,” report by Major Gladstone Murray, director of public relations, BBC, July 25, 1933, pp. 6 and 25 (mimeo.). Murray’s memorandum of May 24 is in the Bennett Papers.

responsible to the commission, plus an assistant general manager and heads of various branches; consideration to be given to moving the commission's headquarters elsewhere than in Ottawa; paid regional directors in five regions of Canada, working under the general manager, but acting in consultation with the provincial assistant commissioners envisaged by the act; and three or four central advisory committees to concern themselves with broadcasting matters in special fields. Murray advised the commission to go slow in developing national programs so that quality might be achieved. A modest construction program should be planned, and efforts made to secure the co-operation of private stations. He urged more attention to public relations; the first rules and regulations had been sprung on the public without adequate preparation or explanation. Less than half of Murray's report dealt with public policy toward broadcasting; the greater part contained suggestions for the commission on how it might develop programs, handle station relations, build staff, and arrange budgets. The report emphasized that action should be preceded by careful planning and consultation, and the building of public support and that the programs must, first of all, be entertaining.

Released in the middle of summer, the report received little public attention. Parliament was not in session for the rest of that year; and the prime minister, in London since early June for the World Economic Conference, did not return to Canada until the beginning of September. During this time, newspapers that had not been actively hostile to the creation of the commission urged that it be given a chance to prove itself. These included Liberal newspapers such as the *Winnipeg Free Press*, the *Toronto Star* and the *Ottawa Citizen*, as well as Conservative papers such as the *Winnipeg Tribune*, the *Calgary Herald*, and the *Ottawa Journal*.

4 *The French-English Problem*

Shortly after the commission began its national program service, a new source of dissatisfaction appeared. In its zeal to increase the number of program hours, the commission scheduled a substantial percentage of its output from Montreal, where the rule was that all programs should be announced in both languages. This caused resentment in many parts of English Canada, where the charge was made that the commission was itself a dark plot to further the interests of "the French." The commission programs were at first provided free of charge to every station

that would broadcast them, and in some areas listeners felt that they could get nothing but commission programs in the evening hours.

Charlesworth encountered strong opposition to the French language on commission broadcasts when he made a western trip in the summer of 1933. Maher, who was generally supervising program budgets, had been anxious for what Charlesworth called "a judicious recognition of the French language on the air." Charlesworth's opinion was that "if there is a separatist feeling in Quebec, it has been provoked in no small degree by the narrow-minded hostility of certain groups of English-speaking Canadians. He recalled:

When I went to the West in 1933 I knew I must face a challenge with regard to French on the Air. The Klu Klux Klan [*sic*], driven out of Ontario, had obtained a strong foothold in Saskatchewan and had been active in opposition. This bastard American organization boasted three members in the House of Commons, one openly in affiliation with the Klu Klux Klan, and two covertly. These gentry busied themselves in stirring up the Orange order also, proclaiming the amazing legal discovery that the use of French on the air was a breach in the British North America Act.⁴⁶

The member of parliament who complained most about French on the air was F. W. Turnbull, Conservative member for Regina, whom a writer in *Le Devoir* described as one of the principal leaders of the Ku Klux Klan, a group of "microcephalic fossils"; thirty seconds of French in a national program made him "foam at the mouth."⁴⁷

As the year went on, the commission reduced the amount of French heard on its nation-wide programs; and gradually the commission was able to organize separate programs for Quebec stations. (The CRBC's successor, the Canadian Broadcasting Corporation, was more cautious in its policy of announcing programs from Montreal. As soon as it had two outlets in that city, announcements were as a rule heard in one language or the other, not both.) The *Financial Post*, hostile to the commission, reported that it had cut down on its French programs as the result of political pressure:

The commissioners have proved themselves to be singularly tactless and inept in their public relations. For example, the proportion of French programs over the national hook-ups has been cut down but not until a political uproar occurred (the Prime Minister is said to have intervened) and not before one of the commissioners had vigorously defended the policy on the ground that forty per cent of the population is French. The commission lost heavily both in the English and French-speaking communities.⁴⁸

46 / Charlesworth, pp. 98-9.

47 / Paul Anger in *Le Devoir*, May 31, 1934.

48 / *Financial Post*, Sept. 9, 1933.

The attacks on the commission for its programs in French were resumed during the 1934 parliamentary committee; it was one of the factors leading to the resignation that summer of Thomas Maher.

But in spite of criticisms of its policies and procedures implicit in the Murray report, and the press speculation about its demise, the commission was determined to press ahead, and to overcome the initial difficulties it had encountered.

5 *Building a System*

The commission was aware that because it had barely begun operations in the fiscal year ending March 1933, the government had realized a surplus of over a million dollars from the collection of licence fees. It determined to ask for an appropriation of \$1,500,000 for the fiscal year 1933–34, which could probably be provided out of current licence fees for that year. But the government, far from being ready to part with any of its past surpluses, cut back the 1933–34 appropriation to \$1,000,000.⁴⁹ This was a far cry from the \$2,500,000 sum which the Aird Commission regarded as a minimum for a year's operations; and also less than the \$1,500,000 figure which the Canadian Radio League had suggested as a minimum during the "first stage." In spite of Bennett's verbal protestations of support, the government, in withholding sums collected even on the low figure of two dollars per licence, hardly gave the commission a chance.

The commission had to decide how it would proceed with its budget of a million dollars. From its preliminary negotiations with the railway wire line companies, it knew it would have to spend about \$300,000 on circuits to provide even three hours a day of national program service. Direct program costs would run into a similar figure. Salaries and administration costs would be probably \$200,000. This meant that there would be only about \$200,000 for new construction of transmitters and studios, or for purchase of existing facilities, or for leasing of facilities, or for renting time on facilities owned by others. In whatever combinations these claims were met, \$200,000 on a cross-country basis would not go far.

Of the practical alternatives, the first was to try to make a deal with a few big national advertisers to distribute their programs across the country free, or at a greatly reduced charge for network distribution. National commercial hook-ups had practically disappeared as the

49 / *1934 Proceedings*, p. 32.

depression deepened; sponsors could not afford the cost of the lines. If a network had to be arranged for each program series at a per-occasion rate, the costs for the advertiser were out of line with those in competitive media. For the commission to restore even the commercial programs that had been available to a national audience in 1930 would require a subsidy to the sponsors, whether hidden or not.

This was the possibility that Charlesworth and Maher had considered and rejected in the last two months of 1932. It would have meant that the commission was distributing commercial programs, for which it would get little credit, and whose content it could hardly control. More than that, such an arrangement would immediately stir up opposition on the part of the newspapers, who would charge that their advertisers were receiving a subsidy from the state to advertise in a rival medium.

But could not programs of good quality be devised for which the advertiser might take only a few lines of credit at the beginning and end of the program? This might have been possible at the time of the Aird Commission, but was no longer so. Through a station like CFRB, Toronto – a 10,000-watt station in the richest and most heavily populated area of Canada – an advertiser could reach nearly a half of the market that a national network would bring him. Why should he put his money into a more costly program, spending a great deal more money for distribution, in return for a less satisfactory sales message? The calculation of the Aird Commission that revenue would be available to the national network from “indirect advertising” was based on the assumption that there would be no powerful private stations in Canada. That was not the case in 1933.

Another alternative for the commission was to use its million dollars primarily for wire-line costs and direct-program costs, and to persuade or dragoon the private stations into releasing the programs over their facilities either free of charge or at nominal rates. This was attempted in the spring of 1933. There was not much difficulty in persuading small stations in remote areas to take commission programs; they had a hard time keeping their stations on the air enough hours to attract an audience, and sources of free programming were welcome. The difficulty was in areas where there were strong stations capable of serving a region rather than a single locality. The test came with stations such as CFRB or CKGW in Toronto, and CKAC (*La Presse*) in Montreal, stations which had led the fight against establishment of the commission. They were, moreover, outlets for American networks, whose programs had a more certain attraction for the radio audience than the programs the commission could afford to produce. Without these stations, the commission’s programs would not

be heard in much of Ontario and Quebec (the other Toronto stations, for example, were now powered at only 100 watts).

The attempt to get CFRB in Toronto to carry commission programs three hours an evening, between 6 pm and 11 pm, for \$1000 a month (about \$11.00 an hour) failed. The station rejected the proposal, indicating that it normally rented facilities in prime time for \$200 an hour.⁵⁰ To pay CFRB its commercial rates would have taken most of the \$200,000 the commission had at its disposal. It had the legal power to insist that any station clear time for its programs, but to have insisted upon this would have lost the commission public support. In any show of strength, the commission probably could not have counted on the government either.

Fortunately, the commission was able to take advantage of CKGW and for the time being solved its problem in Toronto. CKGW, a 5000-watt station, had lost its pre-eminence to CFRB when the latter station increased its power to 10,000 watts. The station was said to be losing money for its owners, Gooderham and Worts; and with prohibition ending in the United States, that firm could use more direct methods of advertising than those permitted in its radio operation. Charlesworth found out during a trip to New York that NBC was dissatisfied with the management of the station and wanted to arrange some alternative affiliation in Toronto. The commission then started negotiations with Gooderham and Worts, arriving at an agreement to lease the transmitter and other facilities for \$12,000 a year. For this amount the commission had not only a 5000-watt AM transmitter, but a short-wave transmitter at Bowmanville through which programs could be broadcast to the Canadian North. Concluding that CKGW's studios in the King Edward Hotel were too expensive to operate and maintain, the commissioners made a deal with CKNC, a 100-watt station, to produce their Toronto originations for them, and to furnish office space. So the CRBC productions in Toronto originated at CKNC, were produced by CKNC staff, and were carried by line to Bowmanville and broadcast over the CKGW transmitter. The call letters CKGW disappeared, to be replaced by CRCT.

The arrangement made with CKNC was not an entirely happy one. The commission appointed its own representative for the Toronto area (Stanley Maxted); but the men who produced the commission's programs were on the Canadian National Carbon Company's payroll, and not finally responsible to the commission. Two years later, the Canadian National Carbon Company decided to close its station, and there was an awkward interval when the station personnel did not know whose

50 / *Ibid.*, pp. 354-5.

employees they were. This situation contributed to the political embarrassment caused by the "Mr. Sage" series of election broadcasts, to which the Liberal party took such strong exception (below, pp. 165--7).

Nevertheless, the arrangement with CKGW meant that the commission had access to NBC programs, and these were a very great asset, particularly in the Toronto area. In fact, most of the time CRCT was run as an ordinary commercial station, and the commission considered it to be a profitable operation. During times that CRCT was committed to take NBC programs, the commission had to make sure that its own productions were released on some other Toronto station, usually CKNC. In its local operations, the commission was subject to the criticism that it was competing with stations that it regulated: a charge which continued to be made against the CRBC and the CBC until 1958, when the Board of Broadcast Governors was established to remove regulatory authority from the operating body.

To increase its coverage and modernize the equipment, the commission raised the power of its Ottawa station, CRCO, from 500 watts to 1000 watts. Since coverage in eastern Quebec was exceedingly poor, the commission made arrangements with Canadian Marconi to build a 100-watt station at Chicoutimi which the commission then leased. This brought the number of its full-time outlets to five – Vancouver, Toronto, Ottawa, Chicoutimi, and Moncton, although the Moncton station was so decrepit that late in 1933 it had to be closed down.

There was still the problem of Montreal. In 1933 there were only three Montreal stations: CKAC, a 5000-watt affiliate of CBS, broadcasting in French and in English; CFCF, 500 watts, an affiliate of NBC broadcasting in English; and CHLP, a 100-watt station broadcasting in French. The commission tried to release its programs through CKAC, but since it was a profitable station, *La Presse* was not interested in relinquishing time. The commission did not have the money to buy the station, and once more it was afraid to issue an order requisitioning time.⁵¹

In September 1933 the commission announced that it would build a 5000-watt station in Montreal. In justifying the commission's action, Charlesworth told the Radio Committee of 1934 that the city's two principal stations, CKAC and CFCF, were "in the hands of the Columbia Broadcasting System and the National Broadcasting Company, so that we found ourselves in a position where we were producing beautiful programs in Montreal and were absolutely excluded from this populous

51 / Interviews with R. P. Landry and E. A. Weir. The minister's apprehension was clear when he wrote of *La Presse*, "An unfriendly attitude on their part could be most injurious to us"; Bennett Papers, Duranleau to Bennett, Sept. 8, 1933.

industrial area in Canada.”⁵² At first the commission leased and remodelled an old transmitter but later it bought a new transmitter from the Marconi Company which it paid for in instalments.

The announcement of the new Montreal station caused more criticism than the leasing of CKGW in Toronto. The *Financial Post* reported there was “an immediate outburst of indignation”; the commission’s aim was obviously to “punish *La Presse*.” It charged that the Radio Commission was spending riotously; and it quoted the *Montreal Star*’s description of the action as an “intolerable outrage,” and a “crime so flagrant and so stupid that we cannot believe it will be carried through.”⁵³

After acquiring radio stations in Ottawa and Vancouver and leasing facilities in Toronto and Montreal, the commission had assured outlets for its programs in four principal cities. National coverage required further outlets, but the commission was not prepared to precipitate further storms by forcing private stations to carry its programs. If it were offering commercial programs as well as sustaining features, there presumably would be little difficulty in concluding a network agreement. But the commission had decided against this, and had even agreed to a clause in the wire-lines contract preventing its use of the lines for commercial purposes.⁵⁴ Even without revenue-producing programs, it was probable that stations in many cities would accept a high proportion of the commission’s programs; in 1933 there were not enough sponsored programs to fill the evening schedules. But the commission wanted to make its presence felt throughout the country, and it was afraid that on the basis of free offerings there would be awkward gaps. It decided that it would assure outlets for its service by selecting about a dozen stations as key or basic stations, and paying them to carry three hours of CRBC programs each night.⁵⁵

The Canadian Radio League was later critical of the commission for paying private stations to carry its programs. In 1934–5, the CRBC paid out for this purpose \$246,000, or about 18 per cent of its total expenditure. It is certainly not usual for a network to pay its affiliates for

52 / *1934 Proceedings*, pp. 29–30.

53 / *Financial Post*, Sept. 30, 1933: two front-page articles, “Radio Commission Spends Riotously,” and “Broadcast Dictators Plan New Extravagance; Invade Private Field; Autocratic Radio Board Exceeds Powers Given It. Punish *La Presse*.”

54 / The wire-lines agreement specified that the commission was not to “compete with the railways in the commercial broadcasting field”; quoted in Weir, *The Struggle for National Broadcasting in Canada*, p. 165. Weir provides a good analysis of the 1933 line contract, and of the modifications made in 1935 and (by the CBC) in 1937.

55 / *1934 Proceedings*, p. 268–9. There were initially 18 basic stations, of which 6 were CRBC stations. There were 23 basic stations in 1935, 28 in 1936.

carrying unsponsored programs; but circumstances in 1933 explain the commission's action, even if they do not entirely justify it. There was another source of grievance: those stations that were given permission to carry commission programs, but which were not designated as "basic" stations and were therefore not paid, complained that the system was unfair to them.

Given the low power of most Canadian stations during that period, the coverage attained was satisfactory, although Charlesworth was clearly exaggerating when he wrote that by 1936 "Col. Steel was able to piece together a national network ... that reached 95 per cent of the Canadian community, and incidentally millions of listeners in the United States."⁵⁶ The CBC conducted an engineering survey after it had succeeded the commission in November 1936, and concluded that the basic network served 60 per cent of the Canadian population under normal conditions, but that Mexican station interference at night reduced the effective coverage to 49 per cent.

Before the end of 1933 the commission was having second thoughts about its decision to exclude commercial programs from its network service. On September 16, Colonel Steel sent the following telegram to a number of private stations:

Commission considering entering commercial field in effort increase number of first class programmes now available listeners across Canada. This involves making combination rates attractive to advertisers. Propose offering this service form of number of chains covering various parts of Canada. Wire collect lowest net prices you can offer Commission for half hour and hour periods during day and also during night hours. This information must be in our hands by Tuesday noon without fail. Please co-operate by forwarding information as season is now well advanced.

The *Financial Post* read this as a sign that the commission had become desperate for money as a result of its extravagant operation. Its Ottawa correspondent believed that the move was "a complete negation of the principle enunciated by parliament when the broadcasting statutes were enacted ... to nationalize broadcasting, to prevent it falling into the hands of private interests to be used for commercial or advertising purposes."⁵⁷ In the face of critical newspaper reception, the commission abandoned its proposal two weeks after sounding out the stations.⁵⁸ The CRBC basic network was confined to non-commercial programs until the autumn of 1935.

56 / Charlesworth, p. 96.

57 / *Financial Post*, Sept. 30, 1933. The *Ottawa Journal* had published the text of the telegram on Sept. 20.

58 / *Toronto Daily Star*, Sept. 30, 1933.

The first year for the commission had not been a happy one. Its troubles were due partly to its own mistakes, inexperience, and ineptitude. But more fundamentally they reflected a lack of Canadian agreement on what should be the broadcasting objectives, who should have the responsibility for carrying them out, and how a national program service could be reconciled with the private ownership and operation of most stations. In spite of the unanimity behind the legislation of 1932, few Canadian leaders really wanted to follow the British example. They hesitated to spend money for capital installations, appropriating even less money to the commission than was collected. They were even more reluctant to expropriate stations that had been privately developed; they were far from certain that Canadians valued a national service sufficiently to accept any diminution in local broadcasting, or a reduction in the programs imported from the United States. There was an ambivalence in their attitude: on the one hand they insisted that broadcasting should carry out certain national objectives; on the other hand, they assumed that the rights of station owners must be protected. This ambivalence in large measure accounts for the lack of autonomy given to the commission, and the severely limited funds with which the commission was expected to accomplish its miracles.

In addition to this unresolved question, another hampered the commission: the disagreement on the meaning of Canadian nationhood, and in particular, whether French language rights should be recognized outside the province of Quebec. Assaulted from all sides, the commission was obviously not looking forward to the hearings of the Special Committee on Broadcasting which got under way in March 1934.

6 A DISCREDIT TO THE GOVERNMENT?

1 *The 1934 Committee*

While persuading the House to pass the amendments to the Broadcasting Act in 1933, Bennett had promised that a special committee would be appointed in the next session to review the work of the commission. When the membership of the committee was announced it seemed to the commission that “the dice had been in some measure loaded against us; at least one-third of the committee were affiliated in some degree with private stations that had made impossible demands upon us.”¹

The Conservative members of the Special Committee were Dr. Morand, who was once again named chairman; Onésime Gagnon of Quebec, a member of the 1932 committee who was friendly to the commission; W. A. Beynon, a lawyer from Moose Jaw, also a member of the 1932 committee, who had represented the interests of a local station (CHAB), then in the middle of a dispute with the commission; D. M. Wright, the furniture manufacturer from Stratford and a 1932 committee member, who was now ready to champion openly the cause of the private stations and to advocate what he called a “dual system”; and Chester McLure of Charlottetown, who like Gagnon was friendly to the commission.

The UFA member on the committee was again E. J. Garland, who was generally favourable to the commission. The three Liberals were the former minister of marine, P. J. A. Cardin, and two new members: Robert McKenzie, from the Saskatchewan constituency of Assiniboia, and T. F. Ahearn, member for Ottawa, director of a number of private utility companies, and an ally of the private station in Ottawa, CKCO.

Near the beginning of the committee hearings, the minister of marine announced in the House that the commission had been authorized to build a “relatively powerful” station in Quebec City. This section of Canada had notoriously poor coverage, and the announcement may have

1 / Charlesworth, p. 113.

been calculated to rally French-Canadian support for the commission system.

The committee met from March 9 to June 8; its proceedings fill more than five hundred pages, of which almost forty per cent are taken up with the testimony of private station owners or their supporters. About a quarter of the pages contain the testimony of the Radio Commission, much of it in answer to the criticisms of the private broadcasters. The remainder of the testimony can be divided into two principal categories: first, the evidence of those who like the Canadian Manufacturers' Association were willing to settle for the commission system with some modifications; and second, those who (like the Canadian Radio League and E. A. Weir) insisted that the commission's work should be divided between a board responsible for policy, and an operational group under a general manager. Only two witnesses outside the commission gave a whole-hearted endorsement of its work, and their testimony ran less than ten pages.² Altogether, Charlesworth was justified in writing about his "committee ordeal."

The private broadcasters complained about nearly every phase of the commission's operations. The stations owned by the commission were competing unfairly with other stations in the same areas. Commission regulations relating to advertising were unfair: the regulation restricting advertising to five per cent of the program time; the regulation prohibiting spot announcements in the mid-evening hours; the regulation forbidding mention of prices. (The point seemed to be overlooked that in 1932 the first two of these regulations had been suggested by the private stations themselves.)³ The further complaint was made that the commission was too exacting in its demands on the smaller stations. It was unfair in paying some stations to carry its programs, but not others. It was wrong in insisting that no network could be formed without special permission and in refusing to allow more stations to become affiliated with American networks. The changes in wavelengths had resulted in a chaotic situation and increased interference. There was too much French on commission programs. And a Quebec station felt it had been dealt with harshly because of Maher's political sympathies and former association with a rival station.

It might be noted that in addition to the three members of parliament who Charlesworth thought were tied to private station interests, three

2 / *1934 Proceedings*, Dr. Edouard Montpetit, University of Montreal, pp. 295-9, and Frank Denton, National Council of Education, pp. 376-9.

3 / For example, evidence given by the Canadian Association of Broadcasters (E. Grieg, secretary), *1932 Proceedings*, pp. 271-2.

other MPs appeared before the committee on behalf of stations in their constituencies: H. J. Barber, speaking for a station at Chilliwack; Grote Stirling, representing a station at Kelowna; and F. W. Turnbull, who spoke for the two stations in Regina.

The Canadian Association of Broadcasters had been dormant since the 1932 committee; and R. W. Ashcroft, former manager of CKGW, Toronto, attempted to form a new association, the Dominion Broadcasters' Association, and to speak for it before the committee. He claimed that the association had twenty-five charter member stations, but a number of station owners undercut his presentation by wiring the committee that Ashcroft did not represent them. Ashcroft claimed that their defection was the result of opposition to the association engineered by the Radio Commission; this Charlesworth denied. The *Winnipeg Tribune* charged that Ashcroft's association was a "bastard" of the American Association of Broadcasters, which had been propagandizing against the British Broadcasting Corporation.⁴ Ashcroft had tried for the support of Edward Beatty of the CPR and of the Canadian Manufacturers' Association, but (according to Charlesworth) had been refused. His move to form a new association was, however, given generous publicity by the Toronto *Telegram*.⁵

Ashcroft contended that when he was manager of CKGW the commission had attempted to "chisel free broadcasting of their programs," and to drive sponsored programs away from his station. He had refused to broadcast the commission's programs without compensation; it was this situation that had induced Gooderham and Worts to lease the station to the CRBC, thereby giving the commission a Toronto outlet. Ashcroft contended that the present system, in which the commission competed with private stations, was indefensible; either the government should own and operate stations, or quit the field.

Ashcroft was not given a sympathetic hearing. Apparently those private stations that had shown interest in his association were fearful that his all-out attack would lose them support. Ashcroft's verbal presentation did not include the specific terms of his proposal, but he submitted a memorandum to the committee outlining his solution. This was not included in the printed proceedings. Ashcroft claimed that his recommendation was "actually Major Gladstone Murray's plan, and that of the Canadian Radio League, modified to dovetail with the economic conditions that confront us." The supposed modification managed to

4 / *1934 Proceedings*, p. 247. Ashcroft appeared on March 23 (pp. 51-3) and on April 11 (pp. 75-86).

5 / *Ibid.*, p. 247; *Evening Telegram*, Jan. 8, 1934.

eliminate the publicly owned system in favour of privately owned and operated stations; although under his plan a public corporation would exist to provide transmission lines and a national program service which the private stations could use when they were not engaged in broadcasting local features or sponsored programs.⁶

A great deal of the committee's time was taken in listening to the grievances of a station in Beynon's constituency – CHAB, Moose Jaw. These representations took up sixty pages of the proceedings, and the commission's reply another fifteen.⁷ At the beginning of 1933, CHAB was an amateur broadcasting station, licensed at 25 watts, but actually employing a power of 200 watts. The commission agreed to recommend that the station receive a commercial licence for a 100-watt station, effective November 1933. Beynon had acted for the station in these negotiations. CHAB was now complaining that the commission's programs had not been made available to it, but had gone instead to a rival 1000-watt station, CJRM, situated midway between Regina and Moose Jaw. CHAB's representative launched into a general attack on the commission's operation of stations; on its shuffling of frequencies in Saskatchewan; and on its programs, especially those which incorporated any French.

When the Conservative member for Regina, F. W. Turnbull, appeared before the committee, he expressed the view that national ownership of radio was not desirable, that "governments are better out of business whenever they can stay out of it." Had public money been used merely to bonus transmission between stations, Canada could have had all the advantages of the commission system without raising the licence fee to two dollars. Turnbull referred to a poll conducted by the *Regina Star* which showed that out of 700 ballots, 400 wanted the commission done away with. Forty per cent of the poll listed the use of the French language as their only objection, but fully 87 per cent of the poll made some objection to the use of French. Turnbull said the opinion in Saskatchewan was that: "... the French language is not an official language of the whole of Canada, and is confined in its application to the terms of the British North America Act. ... When the radio commission does anything at all which appears to be forcing what I may call the Quebec view ... on the rest of the country, these people resent it, and instead of building up unity ... it is building up a wall of hostility against it." Turnbull then quoted a resolution passed by the Sons of

6 / Ashcroft published a later draft of his proposal in a pamphlet entitled, "Canadian Broadcasting: The Ashcroft Plan" (Toronto, March 1936).

7 / 1934 *Proceedings*, pp. 87–132, 403–13; commission's reply, pp. 264–78.

England in Prince Albert, stating that the use of French outside Quebec was a "concerted effort by the people of French origin to make Canada a bilingual country."⁸

Harry Sedgwick, the manager of CFRB, Toronto, made the most detailed criticism of the commission's regulations as they affected private stations. He maintained that radio business in Canada is "just as much dependent on the radio business of the United States as our stock markets are guided by the stock market conditions in New York." It was an untenable position for the CRBC to be "a broadcaster and operator of radio stations for revenue in competition with private station operators, and at the same time ... the governing body of radio, controlling its competition by regulating its competitor's interior economy." Sedgwick insisted that if parliament wanted radio to be completely nationalized, it should be "done promptly and all of the privately owned stations taken over by the commission rather than have them feel they are going to be gradually forced out of business by rules and regulations under which they will not be able to profitably operate." Sedgwick advocated that the Radio Commission become merely a regulating and controlling body, that its purpose be to co-operate with and assist private stations throughout Canada, "purchasing, as far as their funds will allow, desirable programs, free of any advertising matter, and assisting by the purchase of lines to broadcast these programs in the more remote sections of Canada."⁹

None of the private stations offered any concrete evidence that the commission's regulations were jeopardizing their existence, and the commission itself had no way of knowing the financial position of the stations. In limiting advertising, the commission was carrying out the instruction of the previous parliamentary committee and of the Broadcasting Act. On the whole, the commission's attempts to limit the amount of advertising and to prevent false or exaggerated claims, for example in patent medicine advertising, had received acclaim. When some of the committee members showed concern about the effects of advertising regulations on the private stations, Charlesworth suggested that a reaffirmation of the policy of two years ago would help the commission to enforce the law.¹⁰ (The reaffirmation was not forthcoming.)

During the time the committee met, a significant development was the formation of the Canadian Newspaper Radio Association. This association included stations which were owned by Southam and Sifton news-

8 / *Ibid.*, pp. 494-505.

9 / *Ibid.*, pp. 333-64.

10 / *Ibid.*, p. 260.

papers, which in 1932 had generally supported the Radio League. Now these newspapers were recognizing the profit potential of their radio station subsidiaries, and they were beginning to make common cause with the owners of other stations. The new association objected particularly to CRBC Regulations 99 and 100 – regulations limiting advertising content, limiting the length of spot commercials, and prohibiting spot announcements in the hours between 7:30 and 11:00 pm.¹¹ The forming of the association marked the end of an era when the preponderant majority of Canadian newspapers supported a national, non-commercial system of broadcasting.

The Canadian Radio League did not send an official delegation to the 1934 committee. Graham Spry had left the association of Canadian Clubs in 1932, and by 1934 had decided to go into political life on behalf of the newly founded CCF party. He remained interested in broadcasting and continued to write on the subject, first in the *Farmers' Sun*, and later in the *Canadian Forum*, of which he became editor in 1935. The members of the Canadian Radio League executive – Spry, Plaunt, Corbett, and Blake – met together from time to time, but the organization was not really active between 1932 and 1935. However, as reference was made to the Radio League during the 1934 committee hearings, it was decided that Plaunt as secretary should submit a statement on what the league had advocated in 1932, with a short section added on the present situation.

Tom Moore, president of the Trades and Labor Congress, who was consulted about the Radio League submission, appeared before the committee to present the views of his organization. He regretted that “ownership of stations by private interests had been allowed to develop since the Commission was established.” He thought the commission would be more effective if transformed into a larger body, and if the actual management were left to a general manager. All licence revenue should go to the commission without a vote of Parliament. New stations should be built and owned by the commission, and it should absorb present stations as quickly as possible.¹²

A rather similar view was expressed by a rival labour organization, the All-Canadian Congress of Labour, through its secretary, W. T. Burford. He felt that the amount of money placed at the disposal of the Radio Commission was far too small; and that through failure to close down the private stations the commission had to contend with “an opposition which steadily became more aggressive. ... They present

11 / *Ibid.*, pp. 421–2.

12 / *Ibid.*, pp. 239–43.

themselves today as a peculiarly arrogant vested interest, presuming to criticize the Radio Broadcasting Commission and gratuitously offering suggestions for the further limitation of the Commission's field of action. ... The same dependence upon the United States as prevailed in 1929 is admitted by the private broadcasting services today."¹³

Plaunt's letter on behalf of the Canadian Radio League set out to correct the impression that "the actual set-up with its unfortunate results was based on the League's proposals." The league felt that the principle of a public system was imperilled so long as the "present constitution" remained unchanged. The commission had "obviously not been sufficiently removed from the political arena to develop public confidence in its independence." And it should not have been charged with the double function of operation and policy direction. The league urged the government to reorganize the system "along the lines originally laid down."¹⁴

Plaunt sent a copy of the submission to R. K. Finlayson, who had been a member of the league's executive before joining Prime Minister Bennett's staff. He asked Finlayson to bring to the prime minister's attention any sections that seemed relevant, and suggested that the prime minister could greatly enhance his popularity by undertaking a re-organization of broadcasting. Several weeks later he sent copies of the submission to Liberal leaders, including King, Lapointe, and Vincent Massey.

Finally, the 1934 committee heard in some detail the story of the demotion and dismissal of E. A. Weir, who himself appeared before the committee and made a far-reaching criticism of the commission's activities and of the commission system.¹⁵ He criticized the allocation of wavelengths; the decision to set up a new station in Montreal rather than to expropriate one of the existing stations; the administrative arrangement in the Toronto studios; the lack of station construction in the "very parts of the country most needing improvement" (western Canada); the ineffectual attempts to secure commercial revenue; the mediocrity of the programs, and the failure to develop talent. Weir, like his friends in the Canadian Radio League, declared that the commission set-up was fundamentally wrong, and that the essentially executive functions should be divorced from the direction of broad general policy. Weir advocated that a board of at least five members be substituted for

13 / *Ibid.*, pp. 385-91.

14 / *Ibid.*, pp. 426-7.

15 / *Ibid.*, pp. 434-71; the commission's reply, pp. 537-59. Weir filed a rejoinder, pp. 570-8.

the present commission; that a general manager, responsible to the board, should conduct all executive and administrative functions; that local advisory councils and a general council should be formed, as provided in the act; and that the headquarters of the commission should be moved either to Montreal or Toronto.

One of the specific matters mentioned by Weir suggested a sensitivity on the part of the commission to political pressure, and also a hesitation to damage a private station's profit-making potential even if one of its own stations suffered. Weir charged that the commission had deprived its own station, CRCT (Toronto) of one of the best channels in order to make the channel available to CKLW, the Windsor station that was primarily an American outlet. For the commission, Steel explained that as a result of the international agreement, Windsor's channel had to be changed. "At first we suggested using 960 kc. but the Detroit station, WJR, on 920 kc. appealed to us through the Prime Minister's office and we then had no option except to allot 840 kc. to Windsor." To make this channel available, CRCT was moved from 840 kc to 960 kc, where it suffered from Mexican interference. Steel explained: "I submit that as a matter of fact it was far better for the Commission station to have this trouble than that the commercial station in Windsor, which is forced to make its living by means of its operations, should have been subject to this interference during the past season."¹⁶ As Weir wrote to the committee, "Such an admission from the Radio Commission is appalling evidence of its incapacity to grasp the prime functions for which it was created." (After the committee hearings, the 840 kc frequency was restored to CRCT, Toronto.)

The committee took an unusually long time to draw up and present its report – its last public meeting was on June 8, and the report was brought down on June 29. From the proceedings of the committee, one can infer that there were roughly three attitudes among the committee members. First, there was a group of three members (two Conservatives and one Liberal) who wanted to revert to something like the former system, when private stations were largely unregulated. Second, Cardin, Garland, and possibly McKenzie, who were impatient with the progress made by the commission in extending public ownership, and who felt that a mistake had been made in not divorcing policy and administration.¹⁷ Third, two or three Conservative members who supported the

16 / *Ibid.*, pp. 556–7.

17 / Garland had expressed the view a year earlier that the 1932 committee, of which he was a member, had made a mistake in "combining the administrative and policy-creating powers in one commission." (*Debates*, May 11, 1933, p. 4911.)

commission and who felt that the system agreed upon in 1932 should be given a longer and fairer trial period: Gagnon, McLure, and possibly Morand, the committee chairman. F. W. Turnbull, the commission's implacable critic from Regina, sought an assurance from the prime minister that no more French would be heard on English-language broadcasts, and said this about Morand: "He finds it hard to withdraw from the position taken last year with respect to nationalization but in my view anything that involves Government ownership or operation will raise the language question and arising out of the language question the radio has done a good deal more to prevent national unity than it has done to promote it."¹⁸ Probably Morand was held to his former position out of respect to Bennett's wishes. Writing the prime minister early in 1935, he recalled the discussions they had had prior to the committee's report, in which he had proposed some changes in the system. He enclosed a brief drawn up by a reconstituted Canadian Association of Broadcasters, and said he agreed with most of it.¹⁹ By 1935, Morand believed there should be a division between the regulatory power and the business of broadcasting, and that a "Broadcasting Commission, subsidized by the State, should not be a competitor to private business." By the "business of broadcasting" he meant "the providing of proper interprovincial programmes and the providing of trans-Canada lines," and ("where absolutely necessary") the ownership and management of non-commercial stations. This should be handled by a broadcasting corporation, under one general manager and an advisory board. The allocation of frequencies and the regulation of all stations should revert to a department of government. Whether these were already Morand's views in June 1934 or whether they had later moved in this direction is hard to say.

There was no doubt at all about another Conservative member of the committee, D. M. Wright. On June 11 he wrote Bennett that with the completion of the public hearings, "we have been anxious to discuss with you some of the findings in order that the form of the report ... may be such as to meet with your approval."²⁰ It is not clear whether he was speaking for the committee as a whole, for the Conservative members of the committee, or for those who agreed with him. The memorandum attached was a pretty thorough-going bill of indictment. Complete nationalization of radio would result in a capital expenditure of at least

18 / Bennett Papers, Turnbull to Bennett, May 2, 1934. Replying to a similar letter a year later, Bennett wrote (June 11, 1935) that to "transfer the radio facilities of the country to private interest" would be "a most retrograde step."

19 / *Ibid.*, Morand to Bennett, Feb. 1, 1935.

20 / *Ibid.*, Wright to Bennett, June 11, 1934, with enclosures.

\$12,000,000. Without complete nationalization, no commission could properly function both as a broadcasting and a regulatory body. The United States networks had a revenue of \$80,000,000, and a Canadian commission could not compete with them in the production of programs. The CRBC had caused a great deal of dissatisfaction in its allocation of channels. Private station operators, and members of parliament as well, had complained of discourtesies. The operations of the commission had been detrimental to the government, which was blamed for the commission's mistakes. The bilingual program announcements had brought about dissension rather than unity. People had received the impression that "there was an attempt to force upon them a recognition of the French language beyond what was agreed upon at Confederation." Regulations for private stations had not been prepared carefully, and had been dogmatically and harshly enforced. What program accomplishments there had been could have been provided under private ownership at much less expense. Wright suggested that the government should not engage "either directly or through a commission" in any business activity which is ordinarily the subject of private enterprise. Any dangers to Canadian broadcasting such as Americanization could be warded off by government licensing and regulation. If programming were left to private owners, the licence fee could again be reduced to \$1.00.

But even in the spring of 1934, the commission was finding some support for its national program service. From Winnipeg J. W. Dafoe wrote Gladstone Murray in London that the knives were out for the commissioners, but "here in the West the national broadcasts have improved the station performances, and upon the whole this is regarded as an off-set to other defects."²¹

Besides, there was Bennett. He persuaded Turnbull and Earl Lawson, member for the Toronto riding of York South, not to speak in the House for government control rather than government ownership, and to allow the Commission one more year to "adjust its affairs."²² No doubt he was similarly persuasive with the Conservative members of the committee.

The report that the committee finally brought in was extremely short. Its only general observation was that "the establishing of national broadcasting in Canada presents many difficulties, for the correction of which time, experience and large expenditure of public money will be necessary." Its principal recommendation was the following: "The Government should, during the recess, consider the advisability of amending the

21 / Dafoe Papers, Dafoe to Murray, Feb. 20, 1934.

22 / Bennett Papers, Lawson to Bennett, Oct. 23, 1934.

Act, with a view to securing better broadcasting facilities throughout the Dominion. In the opinion of your committee, radio broadcasting could best be conducted by a general manager.”

There were only four other recommendations that had to do with the broadcasting system or with the commission. Three of these were designed to make things easier for private stations: “that the provision of the Act dealing with advertising should be more liberally interpreted”; that a greater use of electrical transcriptions be permitted; and that “pending nationalization of all stations, greater co-operation should be established between privately-owned stations and the Commission.” The final recommendation was that the amending act of 1933 should be extended for another year.²³ This last recommendation was immediately proceeded with in the House (June 30), but the rest of the report was not discussed. With the House rushing toward prorogation, the Liberals used the few minutes available to urge free network time for recognized political parties during election campaigns. Conservative speakers opposed the suggestion.

2 *The Commission's Response*

Writing three years later, Charlesworth suggested that the 1934 Radio Committee report had made no very fundamental criticism of the commission. The recommendation for a general manager he explained as having come from a suggestion “thrown out” by “a very decent man, whose knowledge of radio problems was practically nil.” This was presumably Tom Moore, president of the Trades and Labor Congress. Charlesworth thought he had been put up to it by “a newspaper editor who had his own axe to grind and thought he should have been included in the original Commission” (Charles Bowman).²⁴ In fact, the recommendation for a general manager had been made also by Weir, by the Radio League, and by one other witness. It was also in Murray’s 1933 report, which (curiously) was left unexamined by the committee.

Charlesworth’s reaction in 1937 was not quite the same as it had been in 1934. Then he was indeed worried by the report, and thought that some drastic action must be taken. He was no doubt aware of the rumour, printed in the Toronto *Telegram*, that three or four of the committee had favoured dismissing the commission.²⁵ On the same day

23 / *Debates*, June 29, 1934, pp. 4436–7.

24 / Charlesworth, pp. 114–15.

25 / *Evening Telegram*, June 29, 1934. The reporter named Beynon, Wright, Ahearn, and McKenzie.

the report was presented to Parliament, Charlesworth rushed a statement to the newspapers. It said that for some time the commission had been concerned about its dual responsibility, and that it had “found it advisable this year to recommend that regulation and operation should be separated.” The commission should be left in charge of regulation, but a corporation should be formed, owned by the commission, to prepare and distribute programs throughout the country.²⁶

The course of action now recommended by Charlesworth was that which Gladstone Murray had suggested a year earlier as an alternative to a general manager and a more representative board: “If the internal development of the Commission should prove impossible for various reasons then one would advocate consideration of a proposal to set up an operating company under the licence and general control of the Commission, but enjoying an adequate degree of independence.”

Why did Charlesworth and Steel propose such a fundamental change? It is true that the committee report placed the commission in an awkward situation. It had not suggested any diminution in the responsibilities of the commission, each member of which had been active in operational matters (with one having been chosen especially for his technical competence). Possibly it would have been difficult to recruit a general manager who would work under a commission that was itself accustomed to managing. Still, the excuse that the commission did not act for reasons of economy was obviously just that – an excuse. Two years later, Charlesworth was more explicit in discussing the reason that no action was taken. He told the 1936 Radio Committee: “Well, we could not appoint a general manager, Mr. Slaght. We had no powers of appointment. That was for the Government to decide. To get an efficient general manager at that time, or any time, they would probably have had to go and pay a larger salary than any of the commissioners were getting. ... It might be a wise act, but we were quite helpless in the matter.”²⁷

The appointment of a general manager indeed required the concurrence of the government, as it did any other appointment; but Charlesworth admitted to the 1936 committee that the commission had not made such a recommendation to the government, or even discussed the matter with it. He explained that the government was busy with many other things; and he also maintained that the evidence before the 1934 committee had not really established that such a move was desirable.

26 / *Ottawa Journal*, June 29, 1934.

27 / 1936 Special Committee on the Canadian Radio Commission, *Minutes of Proceedings and Evidence*, p. 8; hereafter cited as *1936 Proceedings*.

Testimony in 1936 about whether or not the commission discussed its press release of June 29, 1934, with the government is somewhat confused, but it seems probable that it did not.²⁸ The 1936 committee found out instead that the commissioners had disagreed among themselves during the 1934 hearings about what their recommendation to the government should be. Even before the 1934 committee met, Maher had gone to the government with his own proposals for a change in the system. Although Charlesworth's evidence on this point is not clear, Maher seems to have proposed a new operating body, a broadcasting corporation to be owned jointly by the Radio Commission and large interests outside government. Such a corporation, he thought, would be able to provide commercial and non-commercial programs, without running into government interference or red tape. In 1936 Charlesworth said of Maher's proposal: "It was rejected holus bolus by me. I looked at it and said, 'no, if you attempt to bring this to the public, I will shoot it full of holes.' So it did not get any farther. ... It was taken to the government without my knowledge before I had ever seen it."

In place of Maher's plan, Charlesworth and Steel agreed to recommend amendments to the act, and placed their recommendation in a minute of the commission dated May 1, 1934.²⁹ The government received a copy but took no action on this recommendation, or on that of Maher.

The Charlesworth-Steel statement to the government conceded that the commission was in competition with private stations "in so far as the use of stations and time is concerned" and also "to a very moderate extent in connection with commercial programs over its own stations." Nevertheless, the two commissioners recommended continuation of the system, but asked for changes to allow more flexibility and autonomy to the commission. For example, the commission should be able to appoint its own officers and employees, without reference to the cabinet or the Civil Service Commission; it should be able to construct or purchase stations without cabinet approval; it should not have to submit estimates of expenditures to the government in order to receive moneys appropriated by Parliament for its use; and subject to a government-arranged audit, it should be able to authorize its own expenditures and issue its own cheques. (Most of these changes were effected when the CBC was created in 1936.)

In May 1934, rumours were published that Maher intended to retire from the commission; and in July it was confirmed that he would leave on August 15. The reasons given were those of health, and his desire to

28 / *Ibid.*, pp. 9-12, 33, 38-9.

29 / *Ibid.*, pp. 34-7.

return to his profession of forestry engineer.³⁰ His disagreement with Charlesworth and Steel may have been a factor; at any rate, he regarded the commission as a failure, and told the government he no longer wished to be associated with it.³¹ The wrangle over programs using the French language distressed him in particular.³² Complaints were now heard not only from the English-speaking provinces, but from Quebec where it was said (with some justice) that most of the commission's programs were basically English programs with bilingual announcements.³³

The Charlesworth press statement of June 1934, advocating that the commission become primarily a regulatory board, alarmed the *Ottawa Citizen*. The *Citizen* wrote (June 30) that the proposal represented a betrayal of the principle of public ownership in broadcasting. "The function of the commissioners under this reorganization would be something like the United States radio commission. ... The Radio Commission apparently is assuming that private exploitation is to continue, with the consequent need for a permanent commission to regulate the operation of private stations."

Little more was heard of the idea to separate the regulating and operating functions during the life of the commission. Toward the end of August 1934, the *Financial Post* tried to revive the suggestion, but few seemed interested, and no further editorials pursued the matter.³⁴

3 *Protection by Bennett*

In the summer of 1934, the Radio Commission had two years of life before it, and its stormiest times were past. The commission, as Charles-

30 / *Financial Post*, May 12; *Le Devoir*, May 28 and July 7, 1934; *1936 Proceedings*, p. 688.

31 / According to R. P. Landry, who was with Maher during his interview with Bennett.

32 / *Saturday Night*, July 14, 1934. The government in June of that year was involved in a controversy about bilingual banknotes, and reportedly had stiffened its attitude on the matter of "equality" to be accorded the French language (*Evening Telegram*, June 20, 1934).

33 / E. L. Bushnell told the 1934 Radio Committee on April 20 (p. 283, *Proceedings*). "It must be remembered that with the exception of an opening and closing announcement of ten words, 75 to 80 per cent of all programs broadcast in the province of Quebec are entirely in English." At the end of 1934, *Le Devoir* complained that the *La Presse* station was broadcasting 80 per cent of the time in English, and that national radio must come to the rescue of French listeners (Dec. 11, 1934).

34 / *Financial Post*, Aug. 25, 1934. The *Post* did not quote the commission's own recommendation but referred to a proposal advanced by the *Western Canada Radio News*. The argument was that private stations would not be treated fairly by a body in competition with them.

worth indicated, had trouble getting the ear of government; and until the election in 1935, there were no initiatives for reforming or changing the system. The prime minister was absorbed by other matters, including his split with H. H. Stevens, his own New Deal of 1935, and preparations for the election that could no longer be delayed.

During 1934 the commission was able to improve coverage somewhat, building two new stations. In Quebec, a 1000-watt station was opened at the end of September. Although Maher had resigned from the commission, he spoke during the ceremonies marking the station opening, and said that the commission hoped to provide stations in Three Rivers and Sherbrooke, to increase the power of the station at Chicoutimi from 100 watts to 500 watts, and that of the Montreal station from 5000 to 20,000 watts.³⁵ In fact, the commission was not able to accomplish any of these things. Three weeks later the *Financial Post* (October 20) reported that the commission had recommended building a 25,000-watt station in Saskatchewan. This did not go ahead either. The only other station opened in 1934 or 1935 was one in Windsor – a rather odd choice. Windsor already had a 5000-watt station, licensed three years previously; but the station was given over principally to the broadcasting of American programs. Rather than insisting that the private station CKLW carry commission programs, the CRBC erected its own transmitter on CKLW property, and arranged for the private station to operate the commission's transmitter.³⁶

In November 1934, Jacques N. Cartier was appointed vice-chairman of the commission to replace Thomas Maher. Cartier had a considerable background in radio: he had been on the original staff of the Marconi company in New York, and during the 1920s had been manager of station CKAC in Montreal. His appointment to the commission was welcomed by both *Le Devoir* and *La Presse*. Like Maher, Cartier was a figure of some prominence in the Conservative party in the province; he had been a party organizer in Montreal during the election of 1930. The federal government was still ready to appoint active party men to the non-partisan commission.³⁷ As it turned out, Cartier defected from the Conservative party in July 1935, to become Quebec organizer for the new Reconstruction party of H. H. Stevens. He at once resigned his post with the commission; and the government, in one of its last acts before the election campaign, appointed in his place Col. C. A. Chauveau – a

35 / *Le Devoir*, Oct. 3, 1934.

36 / *1936 Proceedings*, p. 713.

37 / *The Canadian Forum* felt that the result of Cartier's appointment would be to "riddle more with politics a body that is already badly riddled" (Dec. 1934, p. 84).

grandson of the first premier of Quebec, and a one-time federal Conservative candidate (election of 1925).

The last session of Parliament under the Conservatives opened in January 1935, when the speech from the throne was broadcast for the first time. Earlier in the month, Bennett had startled the country with a series of six broadcasts announcing a new reform policy which the government was going to initiate. These broadcasts were carried on a nation-wide network, arranged by the commission (as the controller of all network broadcasting) but paid for by the Conservative party. Before Parliament was well into the session, Bennett took ill, and in mid-March left for England to complete his recovery and attend the celebration of the silver jubilee of George V's accession. Charlesworth tells of a plot by private interests during Bennett's absence to change the broadcasting system:

Early in 1935 ... during his absence, the lobbyists were very busy against us. A big *coup* was planned whereby three private stations in Central Canada which were the outlets of a great United States network, were to be licensed to increase their power to 50,000 watts each, and allotted three of the six clear channels Canada owns. ... The object was increased American coverage. This meant the complete Americanization of radio in the most populous section of Canada. I had always held that any licenses for high-powered stations in Canada ... should be for the use of the Commission itself. ... The lobbyists also sought an arrangement whereby commercial programmes, both American and Canadian, should have right of way on the national network over sustaining programmes, and whereby a part of our revenues should be diverted toward lowering the costs of network distribution for advertising.³⁸

The three stations Charlesworth talks about were presumably the CBS network affiliates in Canada: CFRB Toronto, CKAC Montreal, and CKLW Windsor.

Charlesworth's account goes on to say that a Conservative member from western Canada was enlisted as "chief agent of these plans," and that twenty-seven other Conservatives joined with him in trying to "jam through" the scheme before the prime minister's return. *Le Devoir* identified the leader of this "small group of fanatics" as the member for Regina, F. W. Turnbull. It was, said *Le Devoir*, the same group that a year earlier had opposed bilingual banknotes, that insisted the French language was for the province of Quebec only, that wanted to apply to French-Canadians the principle of the "réserve indienne." The government, threatened by this group, moved to extend the life of the commission only two months, and not a year as had been originally intended. An editorial writer for *Le Devoir* asked how, after seventy years of

38 / Charlesworth, p. 117.

confederation, the Quebec minority, which should be aware of its strength in the national parliament, could be represented by such "Nicodemuses." The writer concluded with a sentence in English: *They turn cow ... while they should Turnbull.*³⁹

Some hint of what happened is found in a note recorded by Sir George Perley, the acting prime minister, on April 15, 1935. He had been visited by two Conservative stalwarts, Arthur Ford, of the *London Free Press*, and M. G. Campbell, president of the company operating CKLW, Windsor. They were after a better wavelength. Perley's memorandum continued:

This morning Earl Lawson came in to see me on the same subject, and also in a general way regarding the Bill which has been brought down for extending the authority of the Radio Commission. ... We had thought of giving them an extension for another year, but it seems that some of our best supporters are definitely against this. ...

I then talked it over in Council and it was thought best to have this Bill provide for only two months extension until June 30th next. Therefore, I introduced the Bill this afternoon in this way. Later on in the afternoon, Lawson arranged for those members who had been very decided in their opinion ... to meet me in the Prime Minister's room, 301. ... Most of them were of the opinion that the Radio Commission should be done away with altogether. ...⁴⁰

When the government introduced the bill to extend the 1933 amendment to the Broadcasting Act, W. D. Euler for the Liberals made a fundamental assault on the commission. He had been briefed by Alan Plaunt, who (at the request of Vincent Massey and with the assistance of E. A. Weir) had drawn up memoranda criticizing the commission mode of operation and the results achieved to date, and offering suggestions for the reorganization of broadcasting.⁴¹

Euler reminded the House that the 1934 committee's recommendation for a general manager had been ignored, and that assistant commissioners (envisaged by the act) had not been appointed. He said that little had been done to further public ownership of broadcasting. The five powerful broadcasting stations contemplated had not been established. Private stations had been given increased power, and their numbers increased. The Windsor station was still serving the city of Detroit. To compensate for the lack of service to "the good people of Windsor," the commission had spent money erecting a second station. As for the

39 / *Le Devoir*, April 22 and 23, 1935.

40 / Bennett Papers, unsigned memorandum, April 15, 1935.

41 / O'Brien, pp. 325-9. Plaunt's letters to Massey, Euler, and Ilsley were dated Jan. 21 and Feb. 22, 1935.

commission's programs, Euler charged that they were generally mediocre.⁴²

Euler was justified in criticizing the slow pace in extending the publicly owned system; but he left the impression that this resulted from lack of zeal on the part of the commission. It would be more accurate to charge that the commission had been starved financially by the government. As previously mentioned, in 1932–3 over a million dollars in excess of the amount transferred to the CRBC had been collected from licence fees. In 1933–4 the government, after voting a million dollars to the commission, still had a surplus. It had another surplus in 1934–5, after voting one and one-quarter million dollars to the commission. Only in the last full year of the commission's existence, 1935–6, did the commission receive its share of the licence revenue, with a vote of one and one-half million dollars.

Before the debate resumed in June, Bennett had returned, in Charlesworth's words, "restored to vigour, and the iron heel came down quickly on this 'sinister conspiracy' as he called it."⁴³ Duranleau, having to explain the government's change of face, told the Commons that the government had decided to extend the life of the commission to the end of the fiscal year (in 1936) to "let another parliament decide whether it should be abolished or its powers modified." Answering complaints about inadequate coverage, he said that the commission could not provide first-class programs and build powerful stations all over Canada in one year: "It was our view that in these years of depression we should not have been justified in asking this house to vote large amounts to build powerful stations throughout the country."

Bennett followed with a more impassioned defence:

Always insidiously is the attack made against the publicly owned facility and the effort made to destroy it. ... I am convinced that at the present time only one of two things can be done. Whoever is on the treasury benches will have to ask parliament for a grant of money to enable these facilities to be provided, if they think the conditions of the country will stand it, or to utilize the revenues to the extent that may be possible, gradually, to build the stations necessary – gradually. ... I do not know how the committee may feel about the matter, but the more I see of it and know of it, the more determined I would be, if I were here, that I should not yield this facility to any private enterprise.⁴⁴

Garland (a UFA member who had joined the CCF) rose immediately after this speech to congratulate the prime minister, and to commend the

42 / *Debates*, April 16, 1935, pp. 2776–7.

43 / Charlesworth, p. 117.

44 / *Debates*, June 6, 1935, Duranleau, pp. 3345–6 and Bennett, p. 3347.

commission for what it had succeeded in doing with the meagre funds at its disposal. But he still thought that the recommendations of the 1934 Radio Committee should be carried out.

Euler reasserted his belief in public ownership of broadcasting, and said he hoped his earlier criticisms of the commission would lead to some of the complaints being heeded. He criticized the government for pleading lack of funds when the commission had not received all the money collected from the licences. Bennett conceded that at this time all the licence revenues should go to the commission. Two members (a Conservative and an Independent) agreed with Sam Factor, a Liberal from Toronto, that something should be done to "return to parliament the right to control its own public bodies."⁴⁵

Two weeks later, Duranleau gave a fair and much-needed defence of the commission, which had too often suffered from an inadequate presentation of its case. Duranleau said he felt that the great majority of members in the House, as well as public opinion, supported public ownership of radio. Too much had been expected of the commission in a short time. In spite of its financial handicaps, the commission had managed to establish a network with seven stations of its own, and through agreements with twenty private stations, its programs were being heard all over Canada. In line with the recommendations of the 1934 committee, restrictions on the private stations had been eased; they were now allowed to carry advertising "for as much as fifteen per cent of their time." And the commission had provided distinctively Canadian programs of a higher quality and wider variety than could have been expected from private stations with their limited resources.⁴⁶ In answer to Euler's question, Duranleau held that the recommendation for a general manager was one that could not be carried out without an amendment to the act.

The House was within a few days of dissolution, and the opposition did not try to block the extension (until March 31, 1936) of the amendments to the 1932 act. But opposition criticisms again brought an intervention from the prime minister, with another condemnation of the "insidious campaign" to destroy public broadcasting: "Many of the privately owned stations were bitter in their denunciation of the publicly owned facilities, feeling that what would have been a profitable field in the future had been taken from them. ... There has been an insidious campaign going on for the purpose of endeavouring to destroy the public facility from the standpoint of public approval of its operation."

45 / *Ibid.*, Garland, p. 3349 and Euler, p. 3356.

46 / *Ibid.*, June 20, 1935, pp. 3844-5.

Bennett said that members of the House could have no idea how much pressure had been brought on the government to turn over broadcasting to private enterprise. The record of the commission was one that Canadians should be proud of. They were too often tempted to make comparisons with the facilities that could be provided by very rich and powerful peoples. Although powerful stations had not been built, gradually and steadily the situation would be improved.⁴⁷

The parties were now wholly preoccupied with the coming October election. Elsewhere in the country, the commission system was being assessed; and a few persons with a highly developed interest in broadcasting were pondering the changes that they would urge on the new government.

From the debates in public and in Parliament, and from press comment, it appears that by the end of the Bennett administration there was growing determination in the opposition parties that a substantial change would have to be made in the commission system. At the same time, the country as a whole was unwilling to give up a national radio network, and there seemed fairly general agreement that public ownership in some form should be continued.

4 CRBC *Balance Sheet*

To estimate the effect of the commission experiment on the long-term development of Canadian broadcasting policy, we must review the commission's strengths and weaknesses to see how valid were the principal charges made against it.

What about the program service it provided? Undoubtedly, many programs were undistinguished. The commission did not have enough money, and the program staff did not have enough experience, to offer more than a few good programs each week. But most felt that the level of programs was higher than in the years when stations depended on their own resources or on a few commercially sponsored network programs, and that as time went by, CRBC programs were getting better. Through a service provided free of charge by the Canadian Press, daily news bulletins in English were broadcast on the national network, and bulletins in French on a Quebec network. For the first time Canadians could receive the news selected and edited from a national point of view -- an important development when so many newspapers had an excessive preoccupation with local affairs. Radio news broadcasts were

47 / *Ibid.*, pp. 3851-2.

valued especially in homes not receiving a daily newspaper. They formed a large proportion of homes in the 1930s, when over half the population lived outside the cities. Listeners depended on the CRBC for coverage of such special events as the Moose River Mine disaster and the birth of the Dionne quintuplets, as well as more ceremonial occasions (for example, the opening of Parliament, the installation of Lord Tweedsmuir as governor general, and the commemoration of Jacques Cartier's landing in Canada.) Through the commission's exchange arrangements with the BBC and the American networks, Canadians in all parts of the country could receive direct broadcast coverage of international events, of sporting events such as World Series baseball and the Baer-Braddock fight, and of such occasions as the Silver Jubilee of George V, the accession of Edward VIII, and the Empire Christmas Day broadcasts. From the American networks came some outstanding musical programs including the New York Philharmonic and Metropolitan Opera broadcasts. Listeners in some parts of the country, especially around Montreal and Toronto, could secure many of these programs direct from American stations or from the few Canadian stations affiliated with American networks; but in other parts of the country, it was the commission that made these programs available. It is easy to understand why opposition to the commission was strongest in the large cities near the United States border. Among its own productions, the commission had some notable successes: a dramatized informational series, "Forgotten Footsteps"; light musical programs such as "Ici Paris"; weekly talks by such speakers as H. L. Stewart of Halifax; and a regular service broadcast to the North, "Northern Messenger."

Until late in 1935 the commission's wire lines contract prevented it from carrying commercial programs on its network, and this limited the popular appeal of CRBC programs. It is hard to say whether this was fully understood by the commissioners or by the parliamentarians who influenced broadcasting policy. They knew certainly of the mass following, in Canada as well as in the United States, of such sponsored programs as "Amos 'n' Andy," "Showboat," "Seth Parker," and those of Kate Smith and Fred Allen. The commission's Toronto station carried some of these programs, but the CRBC network could not. Even if Parliament had provided enough money for the commission to extend its hours of broadcast and provide a better and more complete program service, it could not have won the majority of listeners for Canadian programs. American advertisers were not only appealing to popular tastes but creating a popular culture which was continental in scope. With more money the commission could improve its service as a conveyor of

public information; it could develop talent and provide programs of greater artistic merit; but it could not really compete in popular entertainment, unless it had a policy of accepting commercial programs. The British situation did not provide a real parallel. The British had made their choice much earlier of what the prime objective of broadcasting should be – service to the public rather than to the advertiser. They had reinforced this objective by establishing a national monopoly; the programs broadcast outside the country were not a serious threat. Canada had not made an early decision or conscious choice, and its geographical position next to the United States limited its freedom of action. For a few hours each evening a Canadian program service was now being provided but it was not of a character to win the support of a majority, at least in English Canada. Sooner or later the people would demand a greater infusion of programs that were American or that followed the American pattern. If the private stations were left to meet this demand, they would form the dominant segment of Canadian broadcasting, and the intention of Parliament as expressed in 1932 would be defeated. Members of the House of Commons on the average turned their attention to other broadcasting issues more easily handled in partisan terms, and the commissioners themselves provided little leadership in educating opinion. In 1935 the commission made a cautious move by revising the wire lines contract so that its network could carry commercial programs, but it did not really resolve the question as to whether it should remain essentially a non-commercial system or become a mixed commercial and non-commercial system. That was left for the CBC.

The non-commercial nature of the commission's network programs had another consequence. In the limited number of hours that the network operated, a listener could hardly be unaware that many of the programs were planned consciously to further national unity or some other national purpose. Understandably, some listeners were repelled by this. At the end of 1934 Merrill Denison wrote: "From the point of view of the majority of listeners, uninterested in patriotic or nationalistic considerations and concerned only with the entertainment value of programs, the efforts of the Commission remain a disappointment and an essential anticlimax to the fireworks which preceded the creation of the Commission."⁴⁸ On the other hand, many Canadians wanted to have an expression of their national aspirations through radio; and there is no doubt that the CRBC was appreciated for this reason. This was becoming especially true among French-speaking Canadians, who were in no

48 / M. Denison, "Radio in Canada," *The Annals of the American Academy of Political and Social Science*, CLXXVII (Jan. 1935), 53; hereafter cited as Denison.

doubt that programs originating in the United States, or arranged by companies with English-speaking directors, were not intended primarily for them. It was natural for the writer in the nationalist organ, *Le Devoir*, to identify opposition to the Radio Commission with opposition to the use of the French language in Canada.

For in many quarters in English Canada, the commission was looked upon as an instrument of French domination, or at least as a French-dominated organization. These views were more often spoken than written, but one can detect the sentiment behind the *Financial Post's* use of the tag, "Commission de Radio-Confusion." Such slurs were common in the radio column of the Toronto *Telegram*. National radio was one of the most direct ways of reminding English Canadians that they shared their country with French-speaking citizens, and the reminder was not always welcome.

From one point of view, the commission represented the grafting of a device borrowed and adapted from the British broadcasting system on to a pattern which was essentially American. The natural forces, with the exception of the desire to maintain a Canadian identity, worked in favour of the American element in the system – the penetration of American programs, the ownership of many large companies, the system of advertising, the basis of financial support for the individual stations (even in part of the commission stations), the alliance of radio with other entertainment businesses and means of mass publicity, and the pronounced regionalism so characteristic of Canada. It seemed doubtful that the commission, unless given additional resources and additional support, could survive.

But to what extent was the commission foundering because of its own mistakes and internal weaknesses? We have already noted that it did not effectively press its case for needed funds or the necessary amount of autonomy; it never secured enough allies inside or outside Parliament; and we have seen the main reasons for this. But in addition to this central weakness, it was charged with wasteful extravagance and inefficient management, and it was suspected of being partisan.

So far as wastefulness is concerned, none of the parliamentary committee found any real evidence of this – not even the 1936 committee which was appointed to preside over the commission's dissolution. The commission had such a small budget to work with, and so many expectations to fulfil, that it would be surprising if the commissioners were not conscious of the need for extreme economy. It was under-staffed, having at the end of its term only 135 employees. Its most doubtful expenditure was the payment to the privately owned stations of the basic network

(\$246,000 in 1935, \$229,000 in 1936) in order to ensure full national coverage. But this was not what was meant by those who charged extravagance; ordinarily, these critics were friendly to the private stations. Oddly enough, the commission's policy of paying sums to private stations was hardly ever denounced in House of Commons debates or in parliamentary committees. A different criticism of the commission's financial operations was that more revenue would have been realized if the commission had immediately entered the business of network commercial programs. But so long as the commission did not own high-power stations in the more populous centres, it is doubtful whether this source of revenue could have been very great; most of the receipts from sponsors would have had to be paid out to private stations and to agencies. The commission might have benefited, however, from renting the wire lines for a larger number of hours each day, thereby cutting down on the transmission costs for its own sustaining programs.

There was more justification for the charge that the commission's operations were not business-like. Its inefficiencies were due to inexperience, haste, too much pressure on a small staff, and the division of authority among the three commissioners. Mistakes were made in the negotiations for wire lines, in the contracts for the rental of studios and transmitter in Toronto,⁴⁹ and in the supervision of payroll in Toronto and Vancouver (although in neither case does there seem to have been a real misuse of funds). Part of the commission's difficulties lay in the shackles imposed by the Broadcasting Act itself. As a result of the government's effort to keep the commission accountable, the commissioners were not given enough autonomy so that they could establish procedures better suited to a broadcasting operation.

The small amount of station construction that the commission could undertake from its revenues led to a dependence on private stations for securing national coverage, thus increasing private station influence on Parliament and on the commission itself. In the press and Parliament complaints were made that the commission was throttling the private stations by threats and unnecessary regulation; when examined, these complaints do not stand up. It is true that there were limited increases of power granted to private stations; but the limitations were the result of a policy decided by Parliament, not a whim of the commission. Although Col. Steel had insisted that the private stations must raise their technical

49 / When it came time for the CBC to build its own Toronto station, the old CRBC contract with Gooderham and Worts for the leasing of the CKGW transmitter led to lengthy litigation. Eventually the CBC had to pay a substantial sum.

standards of broadcasting and transmission, these improvements were long overdue. The commission undertook to cut down on the amount of advertising, and to remove the more glaring abuses; but this had also been prescribed by Parliament. In 1932 the broadcasters themselves had urged the limitations on advertising which the commission attempted to enforce. This did not prevent them from appearing at the 1934 committee to complain that these restrictions were putting them out of business; their complaints then led to a speedy relaxation of the regulations. Throughout the history of broadcasting it has often been shown that private stations have only to lose money (or imply that they are losing money) for standards to go out the window.

The reverse charge was made that the commission was too solicitous of the welfare of the private stations, and that its policy had resulted in a greatly increased number of stations and in greatly increased power. This complaint was heard from the Canadian Radio League, the *Ottawa Citizen*, and W. D. Euler. More recently, Margaret Prang has written: "Local private stations ... were allowed to proliferate to an extent unforeseen either by the Aird Commission or the Radio League."⁵⁰ The Aird Commission had not foreseen any private stations; the Radio League had contemplated a number of local stations to serve their community and to provide alternative programming.

The record shows, of course, that the commission was unable to build high-powered regional stations, and thus it did not have reason to ask for the closing down of many private stations. On the other hand, it did not allow private stations to proliferate, and it did not grant large increases in power except to CKY, the Manitoba Government Telephones station in Winnipeg. This station was regarded as an essential part of the national system, and was later taken over by the CBC. The commission authorized its power to be increased from 5000 to 15,000 watts.

During the commission's four years, ten new private stations were licensed – one (CKSO, Sudbury) a station of 1000 watts, and nine others not exceeding 100 watts. They were in such towns as New Carlisle, Kirkland Lake, Yarmouth, Hull, Timmins, Sault Ste. Marie and Prince Rupert – places where a public corporation, unless it had abundant revenues, was unlikely to establish stations. A private station replaced the old CNR station in Moncton, which the commission could not afford to rebuild. The only new station which duplicated the service of other private stations was CFRN, Edmonton. During these four years, three private stations in Toronto and one in Regina closed down. The net

50 / Prang, p. 30.

increase was therefore six stations. And with the exception of CKY, no private station had its power increased beyond 1000 watts.⁵¹ It would seem that there is little basis for the charge that the commission “sold the pass.” The most that can be said is that the commission did not take steps to reduce the number of stations in a few cities like Vancouver where too many licences were held, or to reduce the power of stations like CFRB that were not essential to the national system. But it was difficult to do this when the government would not allow any significant amount of new construction.

Finally, what can be said about the allegation that the commission was a creature of the government, and that it served not only the government but Conservative party interests? We have noted that the commissioners were dependent on the government for their appointment and their salaries; on the other hand, they were appointed for an unusually long term (eight to ten years). The commissioners were told that they were to have a free hand and that they were to be non-partisan. Yet they were dependent upon the government for their budget each year, and they depended also upon the minister of marine for approval of appointments and expenditures. They had little more autonomy than a department of government. In spite of this, they were not accountable to the minister or even to the government for their policy decisions, except those which had to be implemented by order in council. It was expected that such general supervision would be exercised by Parliament through a committee, rather than by the minister.

In fact, it seems probable that the government did not offer many actual instructions to the commission. Partly this was due to the understanding between the parties before the commission was appointed, and the fear that the opposition would use any evidence of interference as a stick with which to beat the government. Partly it was due to the public nature of the commission’s operations, and the detailed attention which was paid to broadcasting matters in the press. Partly it was due to the seeming unpopularity of the commission, most pronounced in the first year, with the result that the government hesitated to get too close to the commission in case some of its unpopularity rubbed off.

There is little evidence from the commission’s programs that the Conservatives were favoured unduly. The fact that each party had to pay for its political broadcasts saved the commission from having to make certain kinds of difficult decisions – for example, allocation of time among the parties. Even in the 1935 election broadcasts (“Mr. Sage”)

51 / It will be recalled that two increases of power to 10,000 watts went to CFCN and CFRB before the commission took office.

which so angered the Liberals, the commission could be blamed only for acts omitted rather than committed. Merrill Denison, who was not impressed with the accomplishments of the commission, wrote: "There is no evidence that the party in power has taken advantage of its position to influence public opinion."⁵² Still, one could only agree with Graham Spry that had the government chosen to exert pressure, the commission, constituted as it was, and lacking a governing board not dependent on public funds for their salaries, would have been in a very difficult position. One of the reasons that some members of parliament so disliked the commission was that it refused to allow power increases beyond established limits to private stations whose owners were party supporters, and for this Col. Steel especially was blamed.⁵³

In retrospect, it appears that the commission's record was creditable, if allowances can be made for the difficulties placed in its way. But those difficulties were great, and the commission's accomplishments therefore limited. It was successful in providing a reasonably effective national broadcast service, on which the CBC could build; and it did so in a spirit which should give it an honoured place in the history of the 1930s. But because most of its difficulties could be traced to government policy as expressed in the Canadian Radio Broadcasting Act, 1932, that act had to be changed. Moreover, as Merrill Denison said, the government had been unwilling to "back up its faith in its own radio experiment by providing adequate funds" for the commission it had set up.⁵⁴ Some extra provision for capital expenditure in particular would have to be made if the national system was not to be abandoned. It was to this end that Alan Plaunt and his associates had already started work.

52 / Denison, p. 53.

53 / Interview with R. K. Finlayson, chief secretary to Prime Minister Bennett. Among the Conservative party supporters who wanted power increases were the *London Free Press* and James A. Richardson of Winnipeg.

54 / Denison, p. 51.

7 A NEW GOVERNMENT AND A NEW ACT

1 *Plaunt's Campaign among the Liberals*

As the months went by following the 1934 radio committee, and the government showed no disposition to change the broadcasting structure, Plaunt became convinced that any hope for reform in radio rested with the Liberal party. He was not himself a political partisan, preferring to work for social justice through a non-party agrarian group, the Young Canada Movement, of which he was founder.¹ Indeed, most of the others active on the executive of the Canadian Radio League were not identified with a political party. Graham Spry (the exception) was now CCF organizer in Ontario. Brooke Claxton, who was to become associated with the Liberals, was not yet politically active. But as a result of Plaunt's activities with the Radio League and with other organizations such as the Canadian Institute for International Affairs, he became friendly with a number of prominent Liberals – editors such as J. W. Dafoe and Charles Bowman;² Norman Lambert, at one time secretary of the Canadian Council of Agriculture, now general secretary of the National Liberal Federation; and, most important, Vincent Massey, the president of the Liberal Federation. Rather than promoting another public campaign, which would be sure to get the league into party dispute, Plaunt decided to work quietly toward getting the Liberal leaders to commit themselves to the kind of system the league had espoused. As Plaunt wrote Bowman in January, 1935:

I don't see any reason why, should Mr. Massey and his colleagues be interested, they should not be privately supplied with the basic material for a vigorous and devastating condemnation of the radio set-up and administration, together with details and specifications for a reorganization based on the proposals of the Aird Commission and the Canadian Radio League. Then

1 / E. A. Corbett, *We Have With Us Tonight* (Toronto, 1957), p. 57.

2 / Bowman at this time had a strong interest in Social Credit, and before long the *Citizen*, showing a distrust of "old-line party politics," ceased supporting the Liberals.

after the election, when the proposals are being incorporated into legislation, we can, if necessary rally public support as a counterpoise to the lobby which will undoubtedly be carried on both within and without Parliament.³

Massey discussed Plaunt's proposal with Mackenzie King, and encouraged Plaunt to prepare confidential memoranda for the use of W. D. Euler and others. Plaunt did this, with the aid of E. A. Weir; the memorandum was sent to Euler, Ilsley, and Massey. It formed the basis for Euler's attack on the Radio Commission in the House of Commons on April 16, 1935.⁴ During the summer of 1935, Plaunt received comments and suggestions from Gladstone Murray, E. A. Corbett, and Brooke Claxton. He was ready to revise his memorandum if the outcome of the election promised that it would be advantageous to do so.

2 The Election Campaign and "Mr. Sage"

During the 1935 election campaign all political broadcasting was arranged on a straight commercial basis. Each party decided what stations it wished to relay its national or regional broadcasts; the party then sought permission from the Canadian Radio Broadcasting Commission for the necessary hook-ups. The party might ask for the inclusion of one or more of the commission's own stations; if a desired commission station was available, its time would be rented commercially in the usual way. The CRBC network as such did not figure in political broadcasting.

The broadcasts by party leaders did not occasion any special comment, but a series of dramatized broadcasts arranged by the Conservative party organizer, the Hon. Earl Lawson, involved the commission in a bitter political controversy. The broadcasts were conceived and written by a Toronto advertising agency, J. J. Gibbons Limited. On September 7 newspaper advertisements were placed which read: "Introducing Mister Sage. A shrewd observer who sees through the pretences, knows the facts, and understands the true issues of the present political campaign, discusses the election with his friends" – followed by details of station and time. The first two advertisements made no mention of the organization sponsoring the broadcasts, nor was there any mention in the text of the first program. As Charlesworth tells the story:

There was an absurd clamour over a broadcast produced by the Conservative organization at Toronto entitled "Mr. Sage," a piffling affair in which a

3 / Plaunt to Bowman, Jan. 24, 1935; quoted in O'Brien, p. 323.

4 / See above, p. 153.

village philosopher was presented as converting life-long Liberals to opposite views in ten minutes' conversation. The first broadcast contained offensive allusions to Mr. King, though not more so than what was being said of all party leaders on platforms everywhere. By what I thought a rather shabby trick, the name of the sponsor of this broadcast ... was withheld on the first occasion.⁵

On hearing complaints from the Liberals, Charlesworth told the advertising agency that a sponsor had to be announced for the broadcasts, and that "objectionable personalities had to be removed."⁶ In the second broadcast there were allusions to King's not having served in the first war; and in the first broadcast, the following bits of dialogue angered the Liberals:

SAGE: In 1930 ... I happened to be staying with my brother-in-law in Quebec. ... Mr. King's henchmen used to call up the farmers and their wives in the early hours of the morning and tell them their sons would be conscripted for war if they voted against King. ...

SAGE: He led *his* party down into a valley not so long ago – he himself called it the Valley of Humiliation. ...

BILL: Slush fund from Beauharnois, wasn't it?

SAGE: Yes, Bill – over \$700,000 – and that's the man who wants to be prime minister of Canada. Can you beat it? ... In the Old Country, Beauharnois would have finished him. In Canada – well, I guess people don't like that sort of thing any more than they do over there. Canadians are pretty honest folk, Bill.⁷

On Charlesworth's insistence, the last four broadcasts announced a sponsor; but the name given was R. L. Wright (an employee of the Gibbons agency), not the Conservative party itself.

The Liberals were not appeased. Frank Ahearn, the member for Ottawa, said the program made Liberals angry and most Conservatives ashamed. The *Ottawa Citizen* complained that by selling politics like patent medicines, the national system was being degraded. It recommended that radio time on the network should be divided among the political parties at election time as was done in Great Britain. But, it added, nothing of this kind could be expected until radio was "freed from political interference."⁸ The *Winnipeg Free Press* believed this was the first time that publicly owned radio had been subjected directly or indirectly to government pressure; the use made of radio during the campaign was bound to affect what Parliament would do with the

5 / Charlesworth, p. 122.

6 / *1936 Proceedings*, p. 247.

7 / Manuscript of "Mr. Sage" broadcast in the files of the House of Commons Committees and Private Legislation Branch, Ottawa.

8 / *Ottawa Citizen*, Sept. 25, Oct. 12, Oct. 14, 1935.

broadcasting system at its next session.⁹ After the election, a *Free Press* columnist, J. B. McGeachy, wrote: "There must be no more frauds like the sapient Mr. Sage and his interlocutor, unlabelled party propagandists performing as earnest seekers after truth."¹⁰

In his final campaign address before a public meeting in Ottawa, Mackenzie King referred to the "Mr. Sage" broadcasts and indicated that any government he headed would take steps to prevent a repetition: "I will do all in my power to see to it that no man in future generations has to put up with that sort of thing through a medium over which a Prime Minister and his government has full control."¹¹

After the defeat of the Conservative government and the return of Mackenzie King, Charlesworth made a report on the "Mr. Sage" matter to the new minister of Marine, C. D. Howe, forwarding a copy to King.¹² But still the Liberals were not to be assuaged. When the new Parliament met in February 1936, King scolded Bennett for "Mr. Sage" and his "scurrilous and libellous misrepresentations over the government-owned radio," and repeated his campaign statement that similar broadcasts would not be allowed "under either the present or any other radio commission in Canada." Earl Lawson, who had been returned as member for one of the Toronto constituencies, took full responsibility for the "Mr. Sage" broadcasts. He had not seen all the scripts in advance, and regretted two statements that were made, but he insisted that "every statement made in the Sage broadcasts was true."¹³

Everyone knew that the Liberals would not leave the Radio Commission as it was, and the "Mr. Sage" broadcasts provided a convenient focus for their complaints.

3 *The Drafting of Legislation*

A week after the election, Plaunt wrote Gladstone Murray that the atmosphere in Ottawa was very favourable to the kind of reorganization plan he had put forward. Three supporters of his plan were in the new cabinet – Euler, Ilsley, and Lapointe; Vincent Massey was to be named high commissioner to London; and the prime minister was said to be in favour of the reorganization plan and of appointing Murray as general manager. Toward the end of October Plaunt saw Massey, who

9 / *Winnipeg Free Press*, Sept. 11, 1935.

10 / *Ibid.*, Oct. 16, 1935.

11 / *Ottawa Citizen*, Oct. 14, 1935.

12 / King Papers, Charlesworth to Howe, Nov. 20, 1935.

13 / *Debates*, Feb. 11, 1936, pp. 81, 120.

relayed the message to C. D. Howe that Plaunt was preparing a detailed memorandum as a basis for discussion.¹⁴ With the assistance and advice of Brooke Claxton, Plaunt revised his "Memorandum re Canadian Broadcasting Reorganization" in December 1935; and Howe invited him to discuss it with him in Ottawa on December 27.

Plaunt's memorandum,¹⁵ twenty-four typed pages, outlined events leading to the establishment of the CRBC (eleven pages); made a criticism of the Radio Commission (five pages); and advanced specific proposals for reorganization (eight pages). The principal criticisms made of the commission system were these:

1. Partisan appointments: "Of the three original commissioners two were palpable partisans." Four of the principal officials "had either been party workers or active opponents of a public system."

2. "A set-up which, combining policy with executive functions, makes businesslike administration impossible, has resulted in a highly inadequate performance in all departments – business, station relations, programmes, and technical." The commission's record in all these aspects was excoriated.

In his reorganization proposals, Plaunt called for a public corporation "which combines the greatest possible degree of flexibility and independence parliament will concede with Parliamentary control of major policy." There must be a board as a "buffer" to protect the executive of the corporation from community or partisan pressure; and a single chief executive in charge of operation. Parliament must pass a new act to establish the public corporation, whose board should be "chosen by the Prime Minister of the day after consultation with the leaders of the other parties recognized by the Speaker." A nine-member board was suggested, to serve without remuneration other than honoraria. The corporation should be made responsible to Parliament through a committee of three cabinet ministers rather than through a single minister.

The general manager should be appointed by the board, not by the government; and his salary should be fixed by the board, to whom parliament had delegated that responsibility. The best available broadcasting executive must be found, a man with a "vision of the potentialities of Canadian broadcasting as an instrument of entertainment, education, and national unity."

The corporation should institute an immediate survey of coverage and

14 / Plaunt to Murray, Oct. 20; Plaunt to Claxton, Oct. 29, 1935. O'Brien, pp. 336–7.

15 / University of British Columbia Library, Alan Plaunt Papers, box 17.

facilities, and establish "at least the recognizable nucleus so that the corporation could schedule "first-rate sponsored network programmes" which would incidentally provide an additional source of revenue. New construction would require more money than was available from the \$2.00 licence fee; additional funds should come either from a loan or a public works appropriation. In any case, licence fees should be paid over directly to the corporation, and should not be placed in the Consolidated Revenue Fund. After a sufficient time had elapsed "to prove to the public that satisfactory service was being provided," the licence fee might be raised to \$3.00. It must remain "the primary method of financing Canadian broadcasting."

Plaunt emphasized that "a national chain of high power stations covering the whole settled area of Canada ... would be ... as important to the continued existence of Canada as a nation as transcontinental railways to its inception." Such facilities would enable Canadian commercial sponsors "to put on programmes competing in interest and quality with those of United States national advertisers." Through this broadcasting system "Canada would have a wonderful instrument of nation-building and a medium through which whatever she has of unique value might be interpreted to the rest of the world." Any alternative system, whether a return to private ownership or competing systems, would mean in the long run the domination of Canadian public opinion by United States commercial interests.

The final passage in Plaunt's memorandum was in quotation marks, but its source was not given. In fact, the statements were from Spry's presentation in 1932 on behalf of the Canadian Radio League:¹⁶ "For a nation, so widespread in its range and so varied in its racial origin, radio broadcasting, intelligently directed, may give us what provincial school systems, local newspapers, and the political system have yet to give us, a single, glowing spirit of nationality making its contribution to the world. ... Here is a great and happy opportunity for expressing, for achieving that which is Canada. It is here and now; it may never come again."

Howe met with Plaunt December 27 and again on December 29. He seemed very pleased with the memorandum, told Plaunt that it would form the basis of the government's reorganization, and asked that Claxton be requested to proceed with a draft act. Moreover, he welcomed Plaunt's suggestions for board membership, and he suggested that Plaunt himself should have a place on the board. He indicated that he

16 / *1932 Proceedings*, p. 546.

would have Vincent Massey sound out Gladstone Murray in regard to the post of general manager.¹⁷

Claxton prepared a draft bill, which he revised after receiving Plaunt's comments. At Howe's request the draft was sent to C. P. Edwards, director of radio in the Department of Marine. Howe saw Plaunt again on January 24 and expressed some reservations; the Plaunt-Claxton plan would give "the public company a virtual monopoly." He wanted the powers of regulation to revert to the Department of Marine, and he thought that the directors of the Corporation should be appointed "at pleasure" rather than having appointments for a fixed term of years. Finally, Howe announced to Plaunt's consternation that the government had decided that the whole matter must be re-examined by a select parliamentary committee. Plaunt felt that a committee would be "more likely to confuse than to improve the issue."¹⁸

It was obvious that Howe was backing away from any outright endorsement of the proposals submitted by Plaunt. For some time other interests had been active in advancing counter proposals. Gladstone Murray had heard in London (admittedly from the rival network, CBS) that the National Broadcasting Company was making representations that it should "take over Canadian broadcasting." Their agent was Reginald Brophy, NBC director of station relations, and a former sales manager for Canadian Marconi in Montreal. In Toronto, Plaunt heard that there was a campaign among private broadcasters to have Harry Sedgwick, president of the Canadian Association of Broadcasters, appointed as general manager of the commission or its successor, and an Ontario Liberal, Arthur Slaght, KC, (a supporter of Premier Hepburn) appointed as chairman. During the early part of January, 1936, Howe received delegations from the Bell Telephone system, the Canadian National Railways, the Canadian Pacific Railway, the Canadian Daily Newspapers Association, the Canadian Press, and the Canadian Association of Broadcasters.¹⁹ The *Financial Post* reported on February 29 that the government was considering representations by private broadcasters that if the government contented itself only with regulation, and abandoned the ownership of stations, the quality of program service would improve. The *Post* article made particular reference to a plan advanced by R. W. Ashcroft, former manager of CKGW, Toronto.²⁰

17 / Plaunt to Claxton, Dec. 29, 1935; Plaunt to Massey, Jan. 4, 1936; O'Brien, pp. 343-6.

18 / Plaunt to Claxton, Jan. 24, 1936; *ibid.*, p. 349.

19 / *Ibid.*, pp. 339-46.

20 / "Return to Private Management Seen Canadian Radio Solution," by Wellington Jeffers, *Financial Post*, Feb. 29, 1936. After this article appeared,

Several features in the Plaunt-Claxton proposals were meeting resistance also within the department of Marine. C. P. Edwards, director of radio, after seeing Claxton and discussing his draft bill, wrote Plaunt:

It has not been felt that the Corporation should have any administrative control outside its own broadcasting function, and to this end it is proposed that all private stations should be placed under the control of the Minister and not under the control of the Corporation.

One – and I think the main complaint of the private stations before the last committee – was that they were regulated by, and at the same time competed with the Radio Commission.²¹

Edwards then proceeded with his own draft bill, and Howe invited Claxton to submit his criticisms of it. Claxton did so in a letter to Howe dated January 30. Claxton objected that a corporation with powers so limited as in the departmental draft would not attract to its board the quality of men hoped for. Moreover, they should not hold office “during pleasure”; such a clause would remove any suggestion that the board was to be independent of the government of the day. He objected also to section 8 which required the corporation to get the minister’s consent to any transaction involving more than \$25,000. This figure was much too low for a corporation supposedly independent of the government. The corporation should be able to borrow with cabinet approval, and it should be able to modify existing wire-line contracts. But Claxton’s strongest objection was to section 7, which placed the regulation of private stations under the minister and not under the corporation. Claxton wrote:

Section 7 raises the very fundamental question as to the main purpose and powers of the Corporation. The bill you have sent me puts the Corporation on an equal footing with any private person operating stations. Both are completely under the control of the Minister. It seems to me that this completely ignores the proposed aim of such a Corporation which is not only to broadcast a few programmes over a few stations but immediately to influence and control and ultimately operate and own all broadcasting in Canada. Broadcasting is either a national monopoly and a national service, or it is not. Here, by reason of the fact that private stations have been established and further by reason of the incompetence of the present Commission, there is a compromise system where there are more private stations than there are public, but that was regarded by the Aird Commission and, I think, by everyone else who has seriously considered the question as being a state of compromise which might last a longer or shorter time but which ultimately would be resolved in favour of a really first-class system. I quite

Ashcroft published the fifteen-page pamphlet, “Canadian Broadcasting – The Ashcroft Plan.”

21 / Edwards to Plaunt, Jan. 20, 1936; O’Brien, p. 348.

see that the day of bringing that about is relatively far off but I do not think that we should give up the principle of ultimate public ownership and immediate public control now.

Claxton argued further that so many powers in the hands of the minister would only become a source of annoyance to him, and would lead to attempts at pressure which "some future Minister" might not successfully resist.²²

Three months later, Plaunt was told "on extraordinarily good authority" that CFRB, Toronto, had "suggested the divided control proposition to Edwards."²³ Whatever the reasons for Edwards' preference, there was obviously going to be a struggle as to which concept should prevail, not only with the minister but with the government as a whole. Plaunt had a personal interview with Prime Minister King in mid-February, and discussed the radio issue with him. King invited Plaunt to become his private secretary, but Plaunt regretfully declined, believing it his "duty and obligation to see that the public point of view was adequately presented at the forthcoming Parliamentary Committee."²⁴

Meanwhile, Massey (now Canadian high commissioner) had been conferring in London with Gladstone Murray. The result was the dispatch of a long cablegram to Howe, supporting Claxton's objections to the departmental draft. Howe then requested Claxton to revise the Edwards draft, and to forward it to Howe personally; if it met with his approval, he would use it as the basis of the parliamentary committee's discussions.

4 *Preparations for the Parliamentary Committee*

The resolution to appoint a parliamentary committee to inquire into radio broadcasting was introduced in the House of Commons on March 19, and the first public session was held on March 31, 1936. Meanwhile, there was considerable skirmishing behind the scenes. The Canadian Radio League prepared to go into action once more, and Plaunt wrote members of the league executive and also the newspapers, summarizing the league's proposals to the 1932 committee, giving a resumé of current issues in Canadian broadcasting, and requesting their comments "so that any representations which are made to the Parliamentary Committee may accord with your views." He suggested to Howe a number of organiza-

22 / Plaunt Papers, box 5, Claxton to Howe, Jan. 30, 1936.

23 / *Ibid.*, box 6, Plaunt to Claxton, April 21, 1936.

24 / Plaunt to Murray, Feb. 25, 1936; O'Brien, p. 352.

tions and individuals who should be invited to appear before the committee, such as the Canadian Legion, the Trades and Labor Congress, the National Council of Women, and the Universities' Conference.²⁵

Howe decided that the original draft bill prepared by the Department of Marine should provide a basis for discussion in the meetings of the Agenda Sub-Committee, of which he was chairman. Plaunt had urged him to use instead a "compromise draft," telling him that "we would be obliged to oppose him" on the matter of divided control of the broadcasting system.²⁶

News of Howe's submission of the draft legislation was broken by Grant Dexter, writing in the *Winnipeg Free Press* for March 28, 1936. Dexter had received his information from J. S. Woodsworth, who was a member of the Radio Committee.²⁷ The *Free Press* summarized the changes in the system which the draft bill brought about as: the abolition of the present Radio Commission; and the creation of a new broadcasting corporation, with seven directors and a general manager, to be concerned almost exclusively with program production. "Control of private stations, of wave lengths, of hours of broadcasting, of advertising on radio programmes, of censorship of radio matter – the entire administration of radio development and operation now vested in the radio commission, will be returned to the minister. He is obligated by the draft bill to do no more than consult with the proposed corporation and in all matters of dispute between the corporation and private stations, he will be the referee." Dexter noted that "internal evidence strongly indicates it to be the production of the officials of the marine department. The only indication that Mr. Howe favors the policy it contains is the fact that he is circulating it." His report also indicated that two of the seven directors would represent the Dominion and the other five would represent geographical regions. All corporation expenditures above \$25,000 must be approved by the government. Dexter's use of quotations made it plain that he had seen the actual document.

When Howe was asked by the press about this draft, he explained, "The bill in question was drafted some time ago to bring into concrete form certain representations that had been made to the Marine Department; a copy was handed to the small sub-committee of the special

25 / *Ibid.*, pp. 353–4, letters from Plaunt to Radio League executive members, March 4; to newspapers, March 6; to Howe, March 21, 1936.

26 / Plaunt Papers, box 16, undated memo from Plaunt to Gladstone Murray on events leading up to the creation of the CBC, written probably in October 1936.

27 / Dafoe Papers, Dafoe to Howe, April 17, 1936. Howe had protested the newspaper's use of a document "that must have reached you with all the authority of an anonymous letter" (Howe to Dafoe, April 3, 1936).

committee on radio for its confidential information, but the document in question has no status whatever."²⁸

The newspapers that commented on the report were almost unanimously opposed to the proposed division of authority between the minister and the public corporation. The *Winnipeg Free Press* said the plan in effect would encourage private enterprise to "go ahead and capture the field if it can." It did not take into account that radio was a natural monopoly, especially in Canada where the high-powered stations and network links necessary for complete coverage could not be maintained by advertising revenue alone. The commission system had not been an entire success, partly because of divided and inexpert control, but it was sufficiently successful to argue for the necessity of radio as a public utility, "not for the exploitation of the few, but for the national pride and upbuilding of all."²⁹

Among other newspapers opposing the draft bill were the *Vancouver Sun* (Liberal), the *Vancouver Province* (Conservative), the *Victoria Colonist* (Conservative), the *Ottawa Citizen* (Liberal), and the *Toronto Mail and Empire* (Conservative).

Plaunt himself wrote an article for *Saturday Night* in which he called the proposed set-up a departure from the basic principle established in 1932. It was based on the false premise that two national systems, one based on advertising and one based on licence fees, were possible. A government department, attempting to act as arbiter between the two systems, was inevitably subject to political pressure, and "the odds would appear to be against the survival of the public system." Plaunt argued that radio cannot be controlled in the public interest by two authorities with divergent aims and functions: "The deductions which every impartial investigation, official or otherwise, has drawn from [the] facts are first, that license fees must in Canada provide the primary basis of finance; second, that radio is too vital a means of national communication to be allowed to become the prerogative of private commercial interests in another country; and third, that being a natural monopoly it can only effectively be controlled by a single national authority." He recommended that a public corporation be established to regulate and control all broadcasting in Canada, to be managed by a single executive officer and supervised on matters of immediate policy by an honorary board of representative citizens appointed by the governor in council, preferably after consultation with all party leaders.³⁰

28 / *Ottawa Citizen*, March 28, 1936.

29 / *Winnipeg Free Press*, March 30, 1936.

30 / Alan Plaunt, "Canadian Radio," *Saturday Night*, April 4, 1936.

Probably as a result of the attention given in the press, the departmental draft act was withdrawn from the sub-committee, and a "Synopsis of a Draft Broadcasting Act" (prepared by Edwards) was substituted. Howe assured Plaunt that whatever draft bill was placed before the committee, the amendments suggested by Plaunt and Claxton would be brought to the committee's attention.³¹

5 The Committee Proceedings

The Special Committee appointed on March 19, 1936, was to inquire into operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932, to advise what changes should be effected in the system, and to investigate the extent to which there had been "any abuse of broadcasting privileges, either for political or advertising purposes."³²

Larger than the previous radio committees (twenty-three members instead of nine), it differed also in having among its members three cabinet ministers: Cardin, Ian Mackenzie, and Howe. The chairman was A. L. Beaubien, Liberal member for Provencher, Manitoba. Only a few members took an active part in the discussions. For the Liberals, Arthur Slaght was the chief questioner during the first four meetings, but illness sent him to hospital and Paul Martin, newly elected member for Essex East, took over his role. The most important Liberal committee members were Beaubien, Martin, Georges Bouchard (Kamouraska, PQ), and Howe. They formed the sub-committee to draft the report, together with a fifth member from the Conservative party, Denton Massey from Toronto. Other prominent Conservatives on the committee itself were the Hon. C. H. Cahan and the Rt. Hon. Sir George Perley. The two minor parties each had one representative: Woodsworth, the CCF leader, and C. E. Johnston (Bow River, Alberta) for the new Social Credit group.

Charlesworth was the first witness. He was questioned on the reasons that a general manager had not been appointed, as had been recommended in 1934.³³ The committee then turned its attention to the "Mr. Sage" broadcasts, and learned that the commission did not have any standing regulation which would force the sponsors of political broadcasts to identify themselves, though Charlesworth had acted to assure the naming of a sponsor in the election campaign broadcasts after

31 / Howe to Plaunt, April 20, 1936; O'Brien, pp. 355-6.

32 / *Debates*, March 19, 1936, p. 1235.

33 / See above, pp. 147-8.

complaints had been received. It also established the fact that certain employees of the commission (although until that time they had been employees of Toronto station CKNC) had taken acting roles in the "Mr. Sage" broadcasts. The Liberals prolonged this inquiry to milk from it all possible political advantage, questioning in addition to the commissioners themselves employees in the Toronto studios, the head of the Gibbons agency which had arranged the broadcasts, the freelance producer under contract to the agency, and the script writer, who was the alleged "sponsor" (R. L. Wright, a member of the advertising agency staff). The handling of the "Mr. Sage" broadcast was not to the credit of the commission, but neither did it reveal any desire on its part to favour the government party. Most newspapers did not give the inquiry the prominence the Liberals hoped for, and a number of newspapers indicated that it was a great fuss about very little. The *Ottawa Citizen* thought that two lessons should be learned: free time should be provided for political broadcasts to save politics from being sold "like peanuts"; and the system was wrong in which the commissioners were sometimes acting as a national board of directors, and at other times concerning themselves with program arrangements and technical details.³⁴

The committee got down to fundamentals on May 7, when the Radio League joined the enquiry, represented by Plaunt, Claxton, and Father St. Denis. Plaunt advanced the same general arguments as before, holding that "unless deliberate steps are taken aggressively to establish public ownership of a trans-Canadian network, it will only be a matter of time before the Canadian air will be but the advertising satellite of the great American chains."³⁵ He criticized the commission system as providing "divided, inexpert management ... three general managers instead of one." He made it clear that the Radio League, while insisting that the high-powered stations must be publicly owned, did not see the need for the public ownership of all stations in Canada. But the private stations should be supplementary to the national system.

The board of governors of the public corporation should be non-partisan, and appointed after the government had consulted with the leaders of the other principal parties. All the members of the board (nine were suggested) should be appointed for their character and general abilities, rather than for their technical qualifications. They should be broadly representative of the five main regions of Canada, and three should be from French-speaking Canada. Their remuneration should be \$25 or \$50 for each meeting, although the chairman might be

34 / *Ottawa Citizen*, April 28, 1936.

35 / Plaunt's formal submission, 1936 *Proceedings*, pp. 350-5 (May 7, 1936).

paid an honorarium of \$1500 per year, and the other members of the executive committee \$1000 per year.

The league on this occasion did not suggest that the corporation report to Parliament through a cabinet committee, but suggested instead that the reporting be through the minister of marine who would be their spokesman in the House. Emphasis was placed on the securing of the best available broadcasting executive to act as general manager. He should be appointed (and dismissed) by the board, subject to the approval of the governor in council. "As in the British Broadcasting Corporation, he should not be subject to the provisions of the Civil Service Act, for obvious reasons of flexibility."

The league made specific proposals in regard to program policy, political broadcasting, and the construction of high-powered stations. The corporation should encourage commercial network programs of suitable quality, and the contract for wire lines should be renegotiated. Funds in addition to the revenue from the \$2.00 licence fee should be made available either through a loan or from a public works appropriation. The licence fee might later be raised to \$3.00. In any case, all receipts should be paid over directly to the corporation.

Plaunt ended his formal submission with a national appeal: "With a national chain and national control, Canada's destiny is in her own hands, the integrity of her twin cultures can be preserved and sustained, and whatever she has of distinctive value contributed to the world. Without it, our dream of a united nation 'from the sea even unto the sea,' is meaningless and cannot be realized." Mr. Cahan did not think that the problem of the "dual use of the two languages" was so easily handled: "Nothing gave the late government more embarrassment and anxiety." He also thought that members of parliament were unwilling to have broadcasting placed "outside the authority of Parliament and beyond the supervision and direction of some department of the Government."

Brooke Claxton replied:

There is no intention ... that the broadcasting authority should in any sense be ultimately independent of parliament or the government. ... What is suggested is that the board be constituted not as the servant of the government, not as permanent employees of the government and responsible to a government department for day-to-day operation, but that they be constituted as trustees for a great national activity, in the same sense as, say, the trustees of the National Gallery or, in the commercial sphere, the Canadian National Railways. ... They would not only have to furnish an annual report, which would be subject to annual examination, but also I should think that any broadcasting authority would have to come before some committee of

parliament and give an account of itself each year. ... This general scheme ... is a scheme that has been operating with such very great success from the constitutional point of view in Great Britain.

Howe did not agree with Claxton. He felt that there must be a clear division of responsibility between the broadcasting commission and the minister, but the implication of his remarks was that the minister should retain overriding authority: "As the minister responsible, I say [to the Commission], go and run your own show ... but keep within the limits of your responsibility. ... You have an anomalous situation, where the government is turning over money and has no responsibility for the spending of it, and is in the position of having to accept all the grief for everything that goes wrong." Woodsworth interjected: "You said the Commission has got mixed up in political matters, but do you think it would be less mixed up if it were under the control of the Minister?" Howe (who really regarded himself as a company president or manager rather than as a politician) answered: "Yes, because a Minister is careful to see that he does not allow himself to get mixed up in politics." (The record does not show whether the committee laughed.) Paul Martin observed that the system seemed to work in England. Howe replied, "It works because Sir John Reith is willing to make himself so unpopular that the government does not talk to him, and no one else talks to him, but there are few men who are willing to do that."

Claxton listed some of the responsibilities and powers that the government would retain. The board would be unable to act without the approval of the governor in council on such matters as expropriation of property, capital expenditures, contracts for a term of over five years, the appointment of the general manager, bylaws of the organization, and regulations "affecting broadcasting in general."

Olof Hanson, Liberal member for the British Columbia constituency of Skeena, commented, "I have followed broadcasting ever since it started in Canada, and I find that we had a commission setup which was responsible to no one. It should clearly be understood that they are responsible to a minister and the minister is responsible to parliament and the people." The Chairman, Mr. Beaubien, added: "I think the view of the members is that there should be some government control. ... Can you tell the committee in a brief way how you can bring that about?" Claxton answered, "If a question arose where a member receives from his constituency a complaint ... the only proper way for that question to be answered ... would be for the Minister to say that that is a question which should be directed to the broadcasting authority. ... Parliament of course is supreme, and Parliament will control the ultimate policy ...

but ... the corporation, if it is to operate properly, should be given power to carry on its business as a business."³⁶

It seemed Howe was determined that the minister should be responsible for broadcasting policy in its main outlines and in actual operation as well, and that the Liberal members of the committee would support him. Although the Radio League's presentation was the most expertly worked out submission that came before the committee, it did not seem to have carried the day.³⁷

E. A. Weir presented a brief generally compatible with that of the Radio League, but he gave more detailed attention to operational matters such as wire-line contracts, hours of network operation, and commercial policies.³⁸ His view was that for a period of at least five years a strengthened Radio Commission, operating a network service for perhaps sixteen hours a day, could arrange free national distribution for its programs through agreements with private stations. The commission would continue to operate stations in the larger centres, but its private affiliates would also be expected to originate programs to the network. The affiliation of private stations could be secured providing that the commission would establish a network service of sponsored programs in addition to its sustaining service.

The Radio League filed statements of support from the Trades and Labour Congress, the Universities Conference, the United Farmers of Alberta, the United Farmers of Canada (Saskatchewan) and the Canadian Legion.

The principal alternative to the league's proposals was offered in a joint submission by three organizations – the Association of Canadian Advertisers, the Canadian Association of Advertising Agencies, and the Canadian Association of Broadcasters.³⁹ Their plan went much further in the direction of government participation in broadcasting than private interests had ever suggested previously. The plan was perhaps conceived in the spirit, "If you can't lick 'em, join 'em." Government participation, they said, should be continued for these purposes: 1. supplementing commercial broadcasting to provide more continuous entertainment for

36 / *Ibid.*, pp. 356–67, for discussion following the Radio League's presentation.

37 / The brief prepared by the Canadian Radio League was printed as an appendix at the end of the day's proceedings, "Proposals of the Canadian Radio League for the Organization of Broadcasting in Canada," pp. 398–416. The brief listed a number of organizations supporting the league's stand and criticized alternative proposals, including the departmental draft bill and the "Ashcroft Plan."

38 / *1936 Proceedings*, pp. 502–15.

39 / *Ibid.*, testimony of C. M. Pasmore, pp. 551–68; of G. Bannerman, pp. 569–87; of J. A. MacLaren, pp. 588–93; of Harry Sedgwick, pp. 655–75.

listeners than would be possible under a purely commercial system; 2. organizing more widespread distribution of programs than would be likely to obtain under a purely commercial system; 3. ensuring nationwide broadcast of events of national and international importance.

Having accepted these purposes, the three associations advocated that the public functions be split into two parts – regulatory and operative. The regulative function, not only with respect to licences and frequencies but also affecting programs and advertising, should be assigned to a government department (the brief suggested a department of communications). The operative function – production and distribution of sustaining entertainment, and “engagement of line and station time for this purpose,” should be assigned to a public body especially created for this purpose, which “shall neither own nor operate any commercial stations in Canada.” This body, a successor to the Canadian Radio Commission, should have a board of governors and a general manager. The board should have ten members, two (the chairman and vice-chairman) selected by the minister, and eight others nominally appointed by him, but nominated by and representing various organized interests: the Canadian Association of Broadcasters, the advertisers, the wire companies, the National Council of Education, the National Council of Women, the conservatories and faculties of music, the Trades and Labor Council, and agricultural interests. The board should see that sustaining programs were produced in sufficient volume, and ensure precedence on the network for national events and events of international importance. For other programs, “the sole judge of the acceptability ... shall be the listener himself, as indicated through surveys. ... For this purpose a perpetual survey shall be kept in operation in representative points throughout Canada.”⁴⁰

This meant that the private broadcasters had accepted a regulatory agency similar to the Federal Communications Commission in the United States, and a body supported by public funds to see that sustaining programs were produced and network facilities made available at rates less than could be obtained for commercial programs only. The spokesmen insisted that there was “hardly a single point of similarity” between conditions in Canada and conditions in Britain; the principle of national ownership and control of stations was “entirely unsuitable for Canada.” On the other hand, “a purely commercial system of broadcasting such as prevails in the United States” would be just as unsuitable. This, they

40 / Quotations from the formal brief filed by the three organizations, “A Plan for the Reorganization of Broadcasting in Canada”; on file with the House of Commons Committees and Private Legislation Branch, Ottawa.

admitted, would lead to a concentration "on a few of the more densely populated markets." They advocated a single broadcasting system for Canada: "It will require all our resources, both public and private, to produce the desired standard of quality, even within a single network system. ... Some duplication of programs is already compulsory in Canada, due to the two principal language elements of the population. ... It would be wasteful to attempt to provide still further duplication of programs and networks within either of those languages. ... It appears to us, therefore, that while the Australian dual system quite properly provides for competition between state broadcasting and commercial broadcasting, Canada should provide for complete co-operation between these two, within the limits of a single nation-wide network system."⁴¹

The advertisers and the private stations were then in accord with the Radio League that there should be a single system in Canada, and that public money was required to provide the necessary program service and reasonably full coverage. Where they disagreed was in the ownership of stations. The Radio League, assuming that the non-commercial programs formed the primary service, believed that the public authority must own production facilities and at least the nucleus of a distribution system. The private broadcasters, believing commercially sponsored light entertainment programs to be the primary service, felt that the government should use its funds to supplement the commercial service and provide a distribution system. But to eliminate any element of competition between public and private interests, all stations should be privately owned.

The Canadian Association of Advertising Agencies emphasized that Canadian manufacturers and producers must have access to network broadcasting; otherwise the availability of broadcasts from the United States would constitute unfair competition.⁴² Harry Sedgwick, president of the Canadian Association of Broadcasters, told the committee that "network broadcasting in Canada has practically disappeared commercially on complete networks, that is trans-Canada networks, because of the high cost. The only network broadcast that constantly went out across Canada last year was the General Motors hockey broadcast on Saturday nights."⁴³ He contrasted the total power of Canadian and American stations: for the 70-odd Canadian stations, the total power was about 65,000 watts, and for the 700-odd American stations, approximately 2,500,000 watts.

41 / *1936 Proceedings*, pp. 577–81, evidence of Glen Bannerman.

42 / *Ibid.*, p. 589, evidence of J. A. MacLaren.

43 / *Ibid.*, p. 664.

Most of the remaining hearings were given over to a vain attempt to convict the Radio Commission of wastefulness, extravagance, and dubious financial practices. The commission filed a reply to the memorandum of the Canadian Radio League, in which they defended their administrative set-up, the wire-lines contract, their public relations, the technical work accomplished, and their program service.⁴⁴

When the sub-committee was appointed to prepare a report, there was little real indication of the particular form that the broadcasting re-organization would take, except in the clues offered by Howe's remarks. The sub-committee had four Liberal members (Howe, Martin, Bouchard, and Beaubien, *ex officio*) and one Conservative (Denton Massey). It looked as if it would be Howe's decision.

6 *The Committee Report*

Although Liberal party policy on broadcasting had not recently been stated, and a minister new to politics seemed persuaded to restore power to his department, there were other factors which might still be brought into play to influence the committee's report. The Radio League felt that it could count on a measure of support from other ministers with whom it had influence; on the committee itself, Paul Martin who had been a league supporter was a member of the drafting sub-committee; and a number of important newspapers, including the *Winnipeg Free Press*, the *Ottawa Citizen*, and the *Toronto Daily Star* were still supporters of the concept fostered by the league. The publisher of the *Star*, Joseph Atkinson, was a friend of the prime minister; and even more influential were the editors of the *Free Press* and the *Citizen*, John Dafoe and Charles Bowman. The question was, could the prime minister be induced to intervene personally?

On the other side, CFRB, Toronto, had a certain influence inside Howe's department, and the manager of CFRB, who was also the president of the Canadian Association of Broadcasters, was rumoured to be a candidate for the chief executive position in the new public authority. Other private interests, including one of the American networks, were supporting Reginald Brophy for this position. If regulatory authority returned to the department and one of these men selected for the program production agency, it would be interpreted as a victory for the private broadcasters, some of whom would get the power increases they had long wanted.

44 / *Ibid.*, pp. 777-82.

As we have seen, Plaunt was well regarded by the prime minister, and he became a friend of one of King's principal secretaries, Edward Pickering, who himself took an interest in broadcasting developments. On May 13 Plaunt sent a letter to Mr. King, enclosing the committee minutes for May 7, the day on which the Radio League made its presentation. King was impressed. As Plaunt wrote Murray two weeks later, "King is very keen on the whole proposition, and I think I may claim personal credit for having sold him."⁴⁵ Several months later, in a memorandum of background information for Murray, Plaunt supplied more details of King's intervention: "The effect [of the Committee proceedings] on Mr. King was undoubtedly the crucial factor. After reading our stuff he sent word to the Committee that it was to be implemented which resulted in a first draft of the Committee's report being completely revamped. We want, he said, the Aird Report, and this is the Aird Report brought up to date. So I had represented it to him."⁴⁶ (Plaunt next makes reference to a letter he had written King on February 22, and a reply King had sent him later that month; then continued): "Despite his unequivocal support there was nevertheless quite a backstage row over certain aspects of the proposed report, particularly over the divided control proposition and over the matter of including a definite restatement of the principle of public ownership."

The committee's unanimous report was presented to the House on May 26, and it represented what Claxton termed a "ninety per cent victory" for the Radio League.⁴⁷ First, a quietus was given the CRBC: "It has been amply demonstrated that a commission of three cannot be moulded into a unit that can formulate and execute policies successfully. Evidence adduced before this committee has made it apparent that under the existing organization there has been lack of co-ordination in dealing with some major questions."⁴⁸ The committee repeated the 1934 recommendation that "broadcasting could best be conducted by a general manager." It recommended that the Broadcasting Act of 1932 be

45 / Plaunt Papers, box 6, Plaunt to Murray, May 29, 1936.

46 / *Ibid.*, box 16, undated memo from Plaunt to Murray, written probably in October 1936. Plaunt's statements are verified by a memorandum in the King Papers, Pickering to King, May 18, 1939. The Plaunt Papers (box 13) also include a note made by Pickering on March 22, 1938, in which he records an inquiry made by the chairman of the 1938 Radio Committee, A. L. Beaubien. Beaubien wanted to get the prime minister's views on the kinds of information which it was proper to make available to committee members. He recalled that in 1936 Mr. King's views were ascertained so late that the committee report had to be redrafted.

47 / O'Brien, p. 364, quoting telegram from Claxton to Plaunt, May 26, 1936.

48 / *Debates*, May 26, 1936, p. 3077.

repealed, and that a new act place the direction of broadcasting in the hands of a corporation with an honorary board of nine governors, "this board to operate through a general manager and an assistant general manager, who will be responsible to the board for the conduct of all business of the corporation." The general manager was to be appointed by governor in council, upon recommendation of the board of governors. The corporation should have the powers "now enjoyed by the British Broadcasting Corporation" and, in addition, control over all networks and the character of all programs broadcast by private stations. The corporation should enjoy the fullest possible freedom in its internal activities, including full authority to engage and dismiss all members of staff. The report accepted the views of the Aird Commission about the method of technical control of stations, namely that such powers as licensing and allocation of wavelengths should remain with the Marine department; but that the minister, before authorizing new stations or increases in power, should first secure the recommendation of the corporation.

The committee reaffirmed "the principle of complete nationalization of radio broadcasting in Canada"; pending this, the fullest co-operation should be maintained between the corporation and the private stations. The corporation should immediately set about increasing coverage, either by adding existing private stations to its network or by establishing new stations. To further this aim, the corporation should be authorized to borrow from the government sums not exceeding \$500,000.

The report said that during the last election there had been serious abuse of broadcasting and lack of proper control by the commission. It recommended that dramatized political broadcasts be prohibited; that full sponsorship of all political broadcasts be required; that the corporation ensure that time be allocated on an equitable basis between all parties; and that no political broadcasts be allowed on election day or during the two days immediately preceding.

7 Debate on the Report

The government started drafting a new bill almost immediately. Plaunt wrote Murray at this time, "I am sticking around here: Dafoe has been here all this week."⁴⁹ The report was debated in the House on June 15, with Bennett leading off. Bennett felt that the committee had not realized fully the differences between conditions in Great Britain and in Canada;

49 / Plaunt Papers, box 6, Plaunt to Murray, May 29, 1936.

the government would find there were difficulties in the way when it came time to appoint a general manager. It was wrong to have someone in the "political department" (the Department of Marine) dealing with applications for new stations. During his years as prime minister "there was a constant endeavour on the part of private interests to secure licenses for new stations. ... All you have to do is grant enough licenses and you destroy the public character of Canadian broadcasting. At the moment we have secured the ownership of this facility ... in the people of Canada, and we have ensured it against destruction by private interests, but the private interests have been very vigilant. ... They have determined ... to destroy this publicly owned facility. ... The two or three great enterprises across the line have watched with increasing anxiety the operations of this publicly owned facility."⁵⁰

Bennett argued that if the issuing of licences was to be determined by a political body, by any department of government rather than by the corporation itself, "then the corporation is destined to be supplanted in its public operations by private enterprises," because Parliament had shown an unwillingness to provide the necessary amounts of money. Both he and Cahan (a member of the former Conservative government) defended the work the commission had done in difficult circumstances. Cahan did not agree with the criticism of the commission for the "Mr. Sage" broadcasts; and as for reorganization, he thought "all that was desirable could have been attained by a few slight amendments to the present statute and by the appointment of a business manager."⁵¹

As evidence that the commission system was not effective, Beaubien replied that whereas in 1932 there had been 69 private broadcasting stations, in 1936 there were 73 private stations and only 8 publicly owned stations, "so I do not think the radio commission has made a great deal of headway in nationalizing radio broadcasting." He defended the licensing powers granted to the minister of marine by arguing that the Aird Commission had recommended this; and he reminded the leader of the opposition that the minister could not grant licences without first obtaining the consent of the corporation.⁵²

Howe summed up the purpose of the bill that he was introducing:

Radio broadcasting in Canada has been studied by one royal commission and three parliamentary committees, and these four reports agree on the broad principles that must govern us. That is to say, the aim of broadcasting should be a complete coverage by government facilities and the present

50 / *Debates*, June 15, 1936, pp. 3710–11.

51 / *Ibid.*, pp. 3713–14.

52 / *Ibid.*, pp. 3716–17.

situation demands complete control over all forms of broadcasting whether public or private. ...

This bill follows very closely the report of the committee, and I believe that had the earlier legislation conformed more nearly to the reports of the royal commission and of the parliamentary committee that preceded the introduction of that legislation, perhaps we should not have wandered afield in our attempt to reach the ultimate goal.

Howe took notice of an opposition criticism that the bill placed licensing powers in the hands of the minister rather than with the corporation. He pointed out that the minister had that power under the existing legislation, on the advice of the Radio Commission: "But after the minister receives the advice of the commission he has the power to issue the licence or not, and he has been known in my time to exercise that power. The only action I have taken in that regard is to refuse recommendations of the commission in the direction of issuing two additional broadcasting licences."⁵³ He said there were too many stations of small power in Canada, and that the new corporation would have to deal with that problem. Control of licensing was "inherent in the government everywhere," even in Great Britain, where it was vested in the Post Office.⁵⁴ Howe spoke of the serious restriction on the work of the commission caused by their shortage of funds. He did not think, however, that a fee higher than two dollars could be contemplated at the present time. He concluded, "Considering the amount of the expenditure for programs, I think we have very little to be ashamed of at the moment. My feeling is that we have done extraordinarily well with the funds that have been made available."

Four days later, June 19, the bill was given second and third readings. Claxton wrote Plaunt that "the Bill seems to be better than anything we could have hoped for. In fact, they have given us practically everything covered in my draft."⁵⁵

53 / Howe did not say whether he influenced the commission to recommend increases in power for private stations. For example, the James Richardson company for some time had been seeking an increase in power for their 100-watt station in Winnipeg, CJRC. In spite of Richardson's Conservative connections, and frequent appeals to the prime minister's office, the commission had refused to grant an increase. The station went up to 1000 watts in March 1936, and the Conservatives believed that this was a decision of the new administration. (Interview with R. K. Finlayson, May 25, 1965) In 1936 Richardson was often in touch with his friend, Norman Lambert, secretary of the National Liberal Federation, and with C. D. Howe. Though mainly concerned about the airline his company owned, he also discussed radio. Douglas Library, Queen's University, Lambert Diary, Feb. 28, 1936)

54 / *Debates*, June 15, 1936, p. 3712.

55 / Plaunt Papers, box 6, Claxton to Plaunt, June 19, 1936.

8 *The Canadian Broadcasting Act, 1936*

The bill introduced by Howe followed the recommendations of the committee in establishing a public corporation modelled on the BBC, but invested with regulatory powers as well. In this important respect, the system created differed not only from that in Britain, where there were no private broadcasters to regulate, but from the Australian system established in 1932 in which private and publicly-owned stations co-existed. The Australian pattern was one which Howe, presumably, would have preferred: an operative agency financed by licences (the Australian Broadcasting Commission), and a system of private stations regulated by a department of government.⁵⁶ Instead, the Canadian Broadcasting Act provided a combination of functions that was unique among public corporations at that time.⁵⁷

The Canadian Broadcasting Corporation was to be a board of nine governors appointed by the governor in council, chosen to give representation to the principal geographical regions (section 3). The chairman and other members of the board were to hold office for three years, and might be reappointed. An honorarium of \$1500 per annum was designated for the chairman, and \$1000 for each member of the executive committee (if established). Other governors were to receive \$50.00 for each meeting, plus travelling expenses. The governor in council could at any time remove a governor of the corporation from office for cause. The act provided also for a general manager and an assistant general manager (sections 6 and 7), who were to be appointed by the cabinet on recommendation of the board of governors.

As a regulating authority, the corporation had very nearly the same powers as the preceding commission. It had complete authority over the formation and operations of networks (sections 21 and 22). It could prescribe the periods to be reserved by private stations for CBC programs, although provision was made for appeal to the minister if a private station did not agree with the amount of compensation the CBC might pay for such reserved periods (section 22). The corporation had power to control the character of all programs and advertising, to prescribe the proportion of time to be devoted to political broadcasts, and to assign time on an equitable basis to all parties and rival candidates (section 22).

56 / See W. H. N. Hull, "A Comparative Study of the Problems of Ministerial Responsibility in Australian and Canadian Broadcasting" (doctoral dissertation for Duke University, 1959. University Microfilms Inc., Ann Arbor, Michigan).

57 / Canada, *Statutes*, Canadian Broadcasting Act, 1936, 1 Edward VIII, c.24.

In an advisory role, the corporation was to make recommendations to the minister of transport⁵⁸ on all applications for licences, or for changes in location of stations, frequency, or power (section 24). The minister was required to refer such applications to the corporation before he dealt with them; and any recommendation for a new private station licence required approval of the full cabinet (a new precaution). The minister had the power of renewing licences annually, again with the recommendation of the corporation.

As a national broadcasting service, the corporation was granted more power and more autonomy in its day to day operations than the Radio Commission had enjoyed. Section 8 of the act assigned the corporation powers to maintain, operate, establish, and equip stations; make operating agreements with private stations; originate programs and secure programs from within or outside Canada; employ staff and performers; publish and distribute papers and periodicals; collect news; acquire copyrights and patents; establish a pension fund; acquire or lease property; and "do all such other things as the Corporation may deem incidental or conducive to the attainment of any of the objects or the exercise of any of the powers of the Corporation." This last clause added to the powers which the commission had; but even more important was the power newly granted to employ staff without reference either to the government or the Civil Service Commission.

In the exercise of certain powers the approval of the governor in council was required. Approval was needed to establish a CBC station or purchase a private station (section 8); to acquire or sell real property (section 11); to make an agreement or lease for a period exceeding three years, or to enter into any agreement involving expenditure in excess of \$10,000 (section 10). The \$10,000 figure was a much smaller sum than Claxton had suggested. The corporation's by-laws were subject to cabinet approval, as those of the commission had been; but general broadcasting regulations (applying to all stations) no longer required cabinet approval.

The financial provisions were much more satisfactory. Net revenues from licence fees were to be paid over to the corporation without the necessity of a parliamentary appropriation, and the corporation had autonomy in the spending of its funds within the limits already mentioned (sections 14 and 15). Equally important, the corporation was given the power to borrow from the government – advances on working capital up to \$100,000 and, for capital construction, sums up to \$500,000 (section

58 / Before the act was proclaimed, a dept. of Transport had been set up to replace the former dept. of Marine.

17). This meant that, if the government were so disposed, construction of high-powered transmitters could be undertaken without delay. The minister of transport could demand financial information at any time, and the corporation's accounts were to be audited by the auditor general.

The corporation's annual report was to be submitted to Parliament through the minister. There was no provision for a parliamentary standing committee, as Claxton had suggested. Nor was there any undertaking that the government would consult with opposition leaders before appointing the governors of the corporation. But other safeguards of the corporation's autonomy were there: a fixed term of office for members of the board; the unsalaried board itself to act as a "buffer" between the government and CBC management; considerable financial autonomy and independence; freedom of management to hire its own staff; and strict limitations on the power of the individual minister. In sum, this was the act that the Radio League wanted, and that Howe had resisted.

9 *Attitude of Parties and Press*

Despite the mild reservations expressed by Bennett and Cahan, all parties in the House were generally agreed on the principle of the act establishing the Canadian Broadcasting Corporation. The committee had produced a unanimous report, and the opposition did not press its criticisms of particular points contained in the bill. Bennett objected to the section which required the corporation to secure the government's consent for any expenditure over \$10,000: "That means that the government of this country is running the broadcast." Howe pointed out that the commission, under the previous act, could not enter into a contract for more than \$5000 without the consent of the government. He also reminded the House that the corporation would receive its funds without having to wait for a parliamentary appropriation, and that it was allowed the privilege of borrowing up to \$500,000 for capital projects.⁵⁹ With a minimum of debate the bill was passed.

Most newspapers and journals of opinion were similarly in accord. The *Ottawa Citizen* was of course enthusiastic; the new corporation was almost exactly what Editor Bowman had been advocating for nine years. The paper was not even concerned about the possibility of increased revenue from advertising: "Unlike the plan of the British Broadcasting Corporation, it is proposed to raise some revenue for national broadcasting in Canada by selling radio advertising. So long as the major

59 / *Debates*, June 19, 1936, pp. 3941-3.

portion of the Canadian Broadcasting Corporation's revenue is contributed by the listeners in the form of annual license fees, there is no great danger in allowing national advertisers to engage the broadcasting service for good entertainment." The *Citizen* added that the battle to save Canada's radio heritage for the Canadian people could not be won by simply passing legislation, and it again warned that the system must not become part of the New York sphere of influence.⁶⁰

The *Winnipeg Free Press* recalled that one of the submissions before the parliamentary committee had suggested that the corporation concentrate on providing high-quality national programs, leaving the field of commercial broadcasting entirely to private stations. Its comment: "A splendid idea that – for the private stations. ... True there is no general wish that the national broadcasts should be broken in on by advertising talks but there are the claims of Canadian advertisers to be considered and the claims of the national radio to sources of revenue." By bringing in the new legislation, the government has "given ample evidence of its intention to insist upon the public control of radio."⁶¹

Some Conservative papers that had been friendly to the Radio Commission cheered the new act also. The *Toronto Mail and Empire* (June 11) found the proposals "reasonably satisfactory." The *Ottawa Journal* confessed, "The new set-up to take the place of the Canadian Radio Commission makes a strong appeal to the Journal." It added: "Highly commendable are the wide powers to be given to the Corporation 'to regulate all forms of broadcasting within Canada and the use of the air for advertising purposes.' Some of the commercial stations have been running wild in several directions and it is decidedly in the public interest that there should be an authority to which they shall be reasonably subject."⁶²

Among the newspapers that had opposed public broadcasting, the *Toronto Telegram* printed not a single editorial on broadcasting in May or June 1936; and the *Financial Post* (June 6) headed its principal story, "Radio Report is Acceptable Compromise." The *Post* quoted private broadcasting as welcoming the provision for a general manager, and hoping for improved co-operation between the public authority and themselves, with the lifting of "onerous restrictions on time and revenue-earning possibilities."

While the Radio Committee was drafting its report, *Le Devoir* reported that its principal recommendation would be for an entirely French net-

60 / *Ottawa Citizen*, May 27 and June 9, 1936.

61 / *Winnipeg Free Press*, May 28 and June 20, 1936.

62 / *Ottawa Evening Journal*, June 17, 1936.

work to serve French Canada. Howe was "well disposed," and the three French-speaking members of the sub-committee drafting the report had worked hard to convince their colleagues of the necessity of coming to a double-network system. "That is, during about a dozen hours of the day, if not more, French will be heard on the air over nearly all the country." Later, *Le Devoir* concluded that the Aird-Frigon report had been approved in substance.⁶³

In July 1936, it looked almost as if there was a consensus on what the Canadian broadcasting system should be. But of course the appearance was illusory. The system proposed was itself a compromise, and each of the opposing interests hoped that as it changed and developed, the system would come closer to that which each preferred. Not content to sit back waiting for this to happen, each would try to bend the system in the desired direction. The first contest, the selection of the general manager for the new corporation, started even before the act was passed.

63 / *Le Devoir*, May 19 and 27, 1936.

8 THE CORPORATION AND MR HOWE

1 *Selecting a General Manager*

From the time he first submitted proposals to the Liberals for broadcasting reorganization (February 1935), Plaunt assumed that Gladstone Murray of the BBC was the Canadian best qualified to become general manager of the broadcasting corporation. Murray was put in touch with Vincent Massey in March of that year, and Plaunt kept Murray constantly informed of each major development until the new broadcasting act had been passed. At the end of December 1935, Plaunt received verbal assurance from C. D. Howe that he regarded Murray as the man for the post.¹ Under the proposed legislation, the general manager would be nominated by the board of governors of the corporation, but since the assent of the government was required, its wishes would obviously influence the choice.

While the Radio Committee's hearings were in progress, Plaunt wrote Murray that there was little doubt he would be invited. He said there were only two possible alternatives, Harry Sedgwick and Reginald Brophy, neither of whom was being seriously considered. A few days later, Plaunt reported that Howe was still in favour of Murray, though Brophy was "putting on quite a lobby."² Reginald Brophy was manager of the Station Relations Department of NBC in New York. He was a former manager of the Canadian Marconi station in Montreal, CFCF, an NBC affiliate. At the age of thirty-six, he was a man whose executive ability was recognized; even such a supporter of the Canadian Radio League as E. A. Corbett thought that he might be the best choice as general manager of the new corporation.³

1 / Plaunt Papers, box 5, Plaunt to Massey, Jan. 4, 1936.

2 / *Ibid.*, box 6, Plaunt to Murray, April 22 and 29, 1936.

3 / Brophy returned to Canada in 1937 to become general manager of the Canadian Marconi Co. In 1945 he became president of Rogers Majestic Ltd.; in 1951 a co-ordinator of defence production and in 1952 deputy minister of defence production. In 1955 he returned to private industry to become president of Philips Canadian Industrial Development Co., and then of Canadian Motorola Electronics Ltd.

After his appearance before the Radio Committee, Plaunt concentrated his efforts on lining up support for Murray – through cabinet ministers such as Euler, Ilsley, and Lapointe, members of the committee, leaders of organizations such as the Canadian Legion, and prominent persons who had taken a special interest in broadcasting (Dafoe, Rowell, Frigon, and Aird). The *Winnipeg Free Press* and the *Ottawa Citizen* supported Murray editorially. The *Free Press* (May 16, 1936) admitted there might be other qualified contenders, but said their claims were “shadowed in that their fealties have so far been claimed by the big American companies.”

On June 12 Plaunt wrote Claxton that the private stations, led by CFRB Toronto and CKAC Montreal, were writing members of parliament on Brophy’s behalf. They were “trying to round up the French bloc” on the grounds that Brophy as a former Montrealer would be more sympathetic to the needs and problems of French Canada than would Murray. “The worst of it is, this lobby is having a considerable measure of success. Howe appears to be ‘sold’ on Brophy (largely Edwards’ influence), and he in turn sold Dunning.”

On June 25, Plaunt wrote Massey to suggest that a number of cabinet ministers who were to visit England that summer should have a chance to meet Murray. He described the private stations’ lobby on behalf of Brophy, pointing out the CBS affiliations of CFRB and CKAC, and added Canadian Marconi and the CPR to his list of those working for Brophy. He reported that both Howe and King realized that Murray had “all the qualifications.” But Howe had told him that King feared Murray might prove to be “unreliable.”

For his part, Claxton undertook to write his friend Norman Rogers, the minister of labour, in whom King had particular confidence: “Brophy is a Marconi production who has always opposed national radio in Canada, having worked tooth and nail against it at the time when Murray was out here before. He has the commercial point of view. He could not help unconsciously representing and taking the side of the private interests. He would come as the immediate ex-employee of the N.B.C.” Claxton thought that Brophy, unlike Murray, would not see the broadcasting corporation as an instrument to strengthen national unity and heal “the rapidly widening gap between the races and sections of Canada.” Claxton could only regard Brophy’s appointment as making possible a “sell-out to the private and predominantly American interests.”⁴

To the *Winnipeg Free Press* (June 17), the efforts of the large broadcasting companies on behalf of Brophy were “a sort of last charge.” The

4 / Plaunt Papers, box 6, Claxton to Rogers, June 16, 1936.

Ottawa Citizen, in an editorial headed "Canadian Radio for Canada," charged that these broadcasting stations were exposing their relationship of satellite to the larger corporation interests of the United States. Unless the board of directors and the general manager had a vision of public service, broadcasting would "certainly pass into the United States orbit as the motion picture entertainment has passed into American control."⁵ The *Financial Post* reported that private broadcasters feared that Gladstone Murray was "too close to the BBC to realize all the Canadian requirements." Brophy was clearly their choice.⁶

With the report that Howe was now backing the candidacy of Brophy, Plaunt decided that the only thing to do was to try to meet the rumours of Murray's weaknesses head on. It was being said that Murray's expenses during his survey of Canadian broadcasting in 1933 had been excessive – a figure of eight thousand dollars was mentioned.⁷ Plaunt found out from the auditor general's department that the sum was \$7,250, and that it covered not only travelling expenses but "loss of income entailed by trip to Canada." Then there was the rumour that Murray had at times been immoderate in his drinking. Murray wrote Plaunt assuring him that he had not had a drink or a smoke for two years. Bob Bowman, son of the editor of the *Citizen*, had been working with the BBC in London and confirmed this report.⁸ On July 3, Plaunt wrote King, denying each of the rumours, and giving his evidence. At the same time, Donald Manson reported that Sir John Aird had sent letters to Howe and King supporting Gladstone Murray for the position.⁹

From Winnipeg, Dafoe wrote Plaunt (July 15) reporting talks he had had with Howe and with Norman Lambert. "While Mr. King is in favour of Gladstone Murray the majority of his colleagues are not." Dafoe mentioned also that Crerar (the minister of mines and resources), acting on behalf of King, had invited him to serve on the board of the broadcasting corporation. Dafoe had declined. In London, Charles Dunning, the minister of finance, arranged a meeting with Murray, and apparently sent back a favourable report. But in the interview he told Murray that the maximum amount the government was willing to pay the general manager was \$10,000, a figure which both Plaunt and Murray considered too low.¹⁰ King cabled Massey on August 1 to get fullest particulars on

5 / *Ottawa Citizen*, June 16, 1936. Editorials to similar effect appeared in the *Vancouver Daily Province*, July 14, and in the *Lethbridge Herald*, July 7, 1936.

6 / *Financial Post*, June 6 and July 4, 1936.

7 / Plaunt Papers, box 6, Plaunt to Harry Baldwin, June 22, 1936.

8 / *Ibid.*, Plaunt to Howe, June 11, 1936, quoting cable from Bob Bowman.

9 / *Ibid.*, Manson to Plaunt, June 29, 1936.

10 / *Ibid.*, Plaunt to Claxton, Aug. 7, 1936.

Murray. He said it was most imperative that prejudices if unwarranted should be overcome, and the best possible appointment made.¹¹

The government seemed to be making up its mind, but the nomination had to be initiated by the governors of the corporation, and they had yet to be named.

2 *Appointment of the Board of Governors*

On September 10, 1936, the government announced the membership of the Board of Governors of the Canadian Broadcasting Corporation: Leonard W. Brockington, KC, Winnipeg (chairman); René Morin, Montreal (vice-chairman); Col. Wilfrid Bovey, Montreal; J. W. Godfrey, Halifax; Mrs. Nellie McClung, Victoria; N. L. Nathanson, Toronto; Gen. Victor Odlum, Vancouver; Alan B. Plaunt, Ottawa; Rev. Alexandre Vachon, Quebec.

Brockington, born in Wales, had come to Canada in 1912. After articling with the firm in which R. B. Bennett was a law partner, he became city solicitor for Calgary, where he remained until 1935. In that year he moved to Winnipeg to become counsel for the North West Grain Dealers' Association. As the *Financial Post* mentioned, Brockington had become known as Canada's best after-dinner speaker, a man of wit and culture. With his appointment, said the *Ottawa Citizen*, the public could feel assured of vision and enterprise at the helm of the new corporation. The *Winnipeg Tribune*, a Conservative newspaper, wrote that "it would be difficult to find in all Canada a man better qualified for the post." The *Winnipeg Free Press* paid tribute both to Brockington and Alan Plaunt, and felt that the governors were well qualified to give to the corporation and to the general manager "the feel" of various sections of the population. Parliament was not as well qualified to do this:

Obviously members of Parliament have not time nor opportunity to study the whole of Canada in relation to radio, nor the whole of radio in relation to Canada. The members are peculiarly open to parish pump influences from their own constituencies as well as to the hundred and one other sectional interests which can and do bear upon Parliament Hill. There is, further, the constant temptation for any government with so potent an instrument as radio to lean away from non-partisan and toward partisan use, an action fatal ... to any national conception of broadcasting.¹²

The reasons for Parliament's delegation of authority to a board had seldom been stated more frankly.

The vice-chairman, René Morin, was director general of the Trust

11 / King Papers, cable from King to Massey, Aug. 1, 1936.

12 / *Winnipeg Free Press*, Sept. 14, 1936.

General du Canada, and a former Liberal member of the House of Commons for St. Hyacinthe-Rouville (he had been elected in 1921 and re-elected for the short Parliament of 1925–6). Mgr. Vachon was head of the school of chemistry at Laval University, and president of the Canadian Institute of Chemistry. *Le Devoir* regretted that there were only two French-Canadian members of the board, and suggested that another should be appointed to represent the minorities living in the other provinces. It added that although Mr. Bovey was not “of our race,” everyone knew of the admiration he had for French culture.¹³

Col. Bovey was director of extramural relations for McGill University, and had interested himself in the interpretation of French Canada to English-speaking Canadians. He resigned after being on the board for only a few months; his place was taken by Canon Wilfred Fuller, an Anglican clergyman from Campbellton, New Brunswick.

J. W. Godfrey of Halifax was a lawyer; N. L. Nathanson of Toronto was president of Famous Players Canadian Corporation and managing director of Canada Paramount Corporation. Brig.-Gen. Victor Odium was a bond and insurance broker in Vancouver, a former newspaper editor, and an early supporter of the Canadian Radio League. He had been in the South African War and had a distinguished career in the Great War. From 1924 to 1928 he was a Liberal member of the British Columbia legislature. The other member from the west coast, Mrs. Nellie McClung, was a well-known writer of fiction, a leader in the movement for political rights for women, a former Liberal member of the legislature in Alberta, and a temperance worker.

Several members of the board had been active in the Liberal party, and none was known to be associated with any other party. The Liberal criticism of the former government for appointing partisans to the Radio Commission seems to have been the usual criticism of the “ins” by the “outs” rather than a reflection of any deeply held principle.

The governors were in general unacquainted with one another. Brockington had been associated with the Radio League when he lived in Calgary, and his name had been on a list of persons recommended for governor by the Radio League; but he and Plaunt had not met. The board was not to take office until November 2 (the date the new Department of Transport came into being), but arrangements were made for a preliminary meeting on September 21. If the board were to be welded into an effective unit, much would depend on the skill of the chairman and on the policy of the government, particularly of the minister of transport, Mr. Howe.

13 / *Le Devoir*, Sept. 12, 1936.

3 *The Governors' First Decisions*

The new board of governors met in Ottawa on September 21 and 22, 1936, to begin organizing its work and to make recommendations to the government for the general manager and the assistant general manager. Howe met the governors briefly, assuring them that there would be no interference, and that the general manager would have complete jurisdiction, subject to the direction of the board. As spokesman for the corporation in Parliament, Howe hoped to be kept fully informed at all times. Welcoming these assurances, the chairman said it was his understanding that the corporation was to function as an independent, non-partisan, public corporation, free from interference in all matters of internal policy, and subject only to the controls specifically provided for in the Broadcasting Act.¹⁴ As Brockington said in his first broadcast five weeks later, "Your directors ... have pledged themselves ... that they will act as a unit, non-political, non-personal and non-sectional."¹⁵

The board decided unanimously to recommend Gladstone Murray as general manager, and Dr. Augustin Frigon as assistant general manager. After consulting with Howe, they recommended salaries of \$13,000 and \$12,000. The recommendations received general approval in the press: "the ablest available men for Canada" (*Ottawa Citizen*); "Mr. Murray's qualifications for the principal position seem to be excellent" (*Ottawa Journal*) – although the *Toronto Telegram* (September 24) suggested that Frigon was "the bilingual echo which seems inevitable whenever an English-speaking Canadian is appointed to a Federal post."

Plaunt was delighted with the initial meeting. He wrote Murray that the board would be to his complete satisfaction, and that no better man than Brockington could be found in all Canada. He was "incredibly humorous," knew how to handle the board with tact and firmness, and above all, would "stand for no government or community interference." And Plaunt believed: "We are going to have all the right people in the right places. I am going to be Honorary Secretary of the Board and I am reasonably sure of getting Manson as secretary. He will also be the right link with the Department of Marine. Unless something goes astray, Brooke Claxton will be Corporation counsel."¹⁶ A few months later, Manson joined the staff as an executive assistant and secretary to the board. Claxton was not employed as full-time counsel, but was engaged

14 / Plaunt Papers, draft Minutes of Preliminary Meeting of CBC Board of Governors.

15 / Text of Brockington's CBC broadcast, Nov. 4, 1936, printed in *Ottawa Citizen*, Nov. 5 and in *Saturday Night*, Nov. 14.

16 / Plaunt Papers, box 7, Plaunt to Murray, Sept. 25, 1936.

as legal adviser from time to time: he drew up the corporation by-laws, for example. His legal work for the corporation was discontinued after his election to the House of Commons in 1940.

When Murray arrived in Canada in mid-October, Plaunt reviewed for him the discussion which took place at the board's preliminary meeting, and set out the principal matters requiring attention.¹⁷ These included:

- (1) Reorganization and staff, including "bilingual considerations."
- (2) Technical and power considerations; necessity of a survey.
- (3) Financial: although new revenue would be available to the corporation because the department was now bearing the costs of the interference service, additional funds would be needed to finance station construction.
- (4) Business policies: the Board wished to revise the wire line contracts, thus allowing network service for twelve or sixteen hours. It wanted also to sublet time for high-grade commercial sponsors, and to pursue a more aggressive commercial policy on Commission stations.
- (5) Program policies: the objective was "competition in programs." Production should probably be concentrated in Toronto, Montreal, Winnipeg, Vancouver, and possibly Halifax.
- (6) A more effective public relations program.

Murray was interviewed by the press on November 2, the day he assumed his new position. According to the *Ottawa Journal*, he said he would recommend that there be more security for private stations and closer co-operation between them and the public service, although the CBC would continue to compete with them for advertising and sponsored programs. More United States programs of high quality would be brought into Canada, so that listeners would get the habit of listening to Canadian stations. To a similar report, the *Financial Post* (November 7) added this interpretation: "The new Ottawa body is acutely aware ... that Canadian listeners must continue to rely very largely on private enterprise for its entertainment and instruction over the ether. Indeed, it is doubtful if private stations will ever be completely superseded." *Le Devoir* (November 5) reported that Murray considered the establishment of a double network (French and English) "an excellent thing," and also reported his saying that French-Canadian programs would not be confined to Quebec.

The CBC governors had their first official meeting on November 2. The objectives they agreed upon and their proposed course of action were described in broadcasts by Brockington and Morin on the evening of November 4. After paying tribute to the accomplishments of the

17 / *Ibid.*, box 16. Undated memorandum prepared for information of W. E. G. Murray.

retiring Radio Commission and pledging the board to a non-partisan course, Brockington indicated the need for more clear channels and regional stations of higher power:

There are in North America 96 radio channels. Of these six are exclusively allotted to Canada and 28 are shared. Of the six ... five are subject to serious interference from Mexican stations.

There are in the United States of America some six hundred broadcasting stations, 69 of 5000 watts or over and 32 of 50,000 watts or over. There are 74 stations in Canada; three are over 5000 watts, the largest being in Winnipeg which has 15,000 watts. Of these 74 stations, the Canadian Broadcasting Corporation owns three and leases four.

He promised that the corporation would also try to increase the existing six-hour a day schedule. He said the board had instructed management to make two immediate surveys, a coverage survey and a survey directed towards a greater variety and improvement in both public and private programs. And he articulated this national objective for the corporation: "If the radio is not a healing and reconciling force in our national life it will have failed of its high purpose. If Canadian radio makes no lasting contribution to a better understanding between the so-called French-Canadian and the so-called English-Canadian, between the East and the West ... then we shall have faltered our stewardship."

Brockington's address was well received throughout the country; to many it must have seemed that the CBC was getting off to a much happier start than the unfortunate commission four years earlier. The *Winnipeg Free Press* wrote of Brockington's talk as "a golden worded framework for such an enterprise ... to indicate that the keys of a mighty instrument were being handed over, an instrument of powerful possibility in the enterprise of developing a nation."¹⁸

The vice-chairman, René Morin, addressed himself more specifically to the future relationship between the private stations and the national service. The existing stations would be allowed to carry on broadcasting subject to a control over their programs by the CBC. A network of stations would be operated not for profits but in the national interest. A survey was being made with a view to "establishing either by construction or purchase a network of high-powered stations to be erected in the center of the main geographical divisions of the country." In addition to the high-power stations, the CBC would build smaller stations so that eventually its programs would reach the population of the more sparsely inhabited districts.¹⁹

The CBC governors met again in Ottawa from December 17 to 19,

18 / *Winnipeg Free Press*, Dec. 6, 1936.

19 / CBC broadcast of Nov. 4, quoted in *Ottawa Citizen*, Nov. 5, 1936.

and this time it was Gladstone Murray who broadcast a progress report. Radio in Canada, he said, was a new kind of experiment in co-operation between public service and private enterprise. Broadcasting in Canada must evolve in the Canadian way: "it will not be a copy of any other kind of broadcasting." It should not become too centralized. The board of governors had decided to meet in different cities to "get the feel of the whole country." Production centres would be established right across Canada. Ideally, each province should have its own organization, but this was too expensive, certainly at the beginning. "So, we shall do the next best thing, which is to work through five regions." Murray said that the engineering survey and the program survey were both proceeding; that a new wire lines contract was being investigated; that a national program conference had been held in Ottawa; and that the CBC was going to set up program advisory committees in each province or region.²⁰

In fact, engineering plans for improved national coverage had already been drawn up; but for their realization, the government's co-operation was needed. And behind the scenes, things were not going well between the board of governors and the minister of transport.

4 *The Program of Regional Transmitters*

The plan to build regional transmitters depended necessarily upon the corporation's financial position and the willingness of the government to authorize capital construction projects. But it was related also to the policy governing the application of private stations for increases in power, and to a revision of the international agreement allocating wavelengths.

By the 1932 agreement with the United States, Canada had six "clear" channels which were intended to accommodate high-powered regional transmitters, but this agreement was not recognized by other North American countries such as Mexico, and many Canadian stations suffered from foreign interference. The CBC requested the minister of transport to initiate the necessary diplomatic conversations to bring about a North American regional conference. A preliminary meeting of experts from Canada, the United States, Mexico, and Cuba was held in Havana in March 1937, and a conference was organized to meet in Havana in November. The resulting agreement promised a much improved situation in the future.

20 / CBC broadcast of Dec. 22, 1936; text in CBC Library, Toronto. Frigon gave a similar talk on the French Network.

The senior engineer for the CBC, Gordon Olive, formerly an employee of the CNR, had been with the commission since its inception, and when the board of governors requested a technical survey, he was ready. His report was presented at the second meeting of the board, held in December 1936, by the assistant general manager, Dr. Frigon. The report showed that only about 50 per cent of the Canadian population received good service from the CBC basic network during evening hours, although about 75 per cent received good service from one or more Canadian stations.²¹ The reason for this large discrepancy was that in several important areas the stations with the greatest coverage were not on the CBC basic network (CKAC, Montreal; CFRB, Toronto; and CFCN, Calgary). CKAC had the same power as the corporation's basic outlet in Montreal, CRCM, but a more favourable frequency. CFRB had twice the power of the corporation's station in Toronto, CRCT, and also a better frequency. Both of these stations broadcast CBS programs from the United States in the evening hours. CFCN, Calgary, had ten times the power of any Alberta station carrying CBC programs, and also a good frequency.

Two plans to improve the situation were presented. The first would provide service for about 87 per cent of the population, at a capital cost of \$3,000,000; the second for 84 per cent of the population at a capital cost of \$2,200,000. The board chose the second plan, provided that it could be financed. The plan entailed a construction program over a period of three years, by the end of which time there would be thirteen CBC-owned stations capable of originating network programs, plus a number of relay stations in British Columbia, northern Ontario, and northern Quebec. In addition there would be two short-wave transmitters, one to send French programs to western Canada, and the other to transmit Canadian programs overseas. The plan suggested the purchase of five existing private stations, and the construction of four new stations – two stations of 50 kilowatts in Ontario and Quebec, and two of 15 kilowatts in Saskatchewan and the Maritimes.

The plan was practical if the government was willing to make substantial loans and to consider a future increase in the licence fee. But the purchase or expropriation of the larger private stations, by this time highly profitable, was politically very hazardous. The board decided to test the government's intentions by acquainting it with the corporation's long-term plan and finding out what measure of support would be forthcoming.

21 / Plaunt Papers, box 16, "Report to Board of Governors, Canadian Broadcasting Corporation" (undated).

Meanwhile, the private stations were renewing their applications for increased power; applications for new stations were also being made. Applicants in Toronto were especially competitive. CFRB applied to increase its power from 10,000 to 25,000 watts; and the *Toronto Star*, the *Globe*, and Gooderham and Worts all wished to establish high-powered stations. A procedure was established by which applications were first considered by a joint technical committee, with members from both the Department of Transport and the CBC, meeting under the chairmanship of Alan Plaunt. The committee advised denial of all applications for stations of high power. The board, in making this recommendation formally to the minister, indicated that it wished to keep such frequencies for its own stations. But if the government did not concur, the policy with regard to private stations might have to be reconsidered.

Indeed, the board and the minister were at loggerheads. Brockington suggested that Plaunt might find out informally what the prime minister's attitude was. In a letter dated December 24, 1936, Plaunt reported to Brockington: "The opinion I have got is that if in the final analysis you and I are prepared to resign on the ownership issue we can get what we want if we play our cards carefully. It was also suggested to me that after you have written to Mr. Howe you would, in a personal and informal way, discuss matters of high policy with Mr. King." One of King's staff told Plaunt that the prime minister was "most enthusiastic about the work of the Corporation and in particular about the magnificent way in which the constitutional crisis and the accession ceremonies were handled."

The exchange of correspondence between the chairman of the CBC and the minister, C. D. Howe, was so crucial to the future of the broadcasting system that it must be described in some detail.

5 The Exchange between the CBC and the Minister

On December 19, the final day of their second meeting, the CBC governors met Mr. Howe in his office. Brockington later recapitulated Howe's statements as following:

- (1) That the Governors of the Canadian Broadcasting Corporation should consider themselves only as a programme-building organization.
- (2) That the improvement of broadcasting facilities should be left to private capital, initiative and enterprise.
- (3) That in your opinion [Howe's] there was not any appreciable amount of public opinion in favour of the public ownership of broadcasting facilities.
- (4) That no attention need be paid to complaints from Saskatchewan or

the Maritimes, because in your opinion, residents of those parts were receiving all the Canadian Broadcasting service which their geographical and economic position warranted.

(Howe denied making the four statements "in the form stated," suggesting that if they had been made in that form they would "severely reflect on my position in public life.")²²

On January 4, 1937, Brockington formally submitted the plan which Frigon had outlined, and which the board had conditionally approved.²³ He added supplementary information, to indicate a "preliminary scheme" of construction that might be undertaken with an advance of \$500,000:

1. The present subsidy obtained from the two dollar license fee would have to be supplemented by a further subsidy of nine hundred and fifty thousand dollars to permit the C.B.C. to provide a twelve-hour service of good national programmes.²⁴

2. With a total revenue of \$5,620,000 obtained from licence fees, subsidy and commercial revenue, the C.B.C. system would be self-supporting with adequate reserve for amortization and obsolescence.

3. With \$500,000, the C.B.C. could initiate its building programme by providing one 50 kw. station for Ontario and one 50 kw. station for Quebec, and certain additional facilities for districts presently suffering from lack of coverage as for, e.g., Maritimes and Saskatchewan.

4. This preliminary scheme would provide seventy-five per cent of the population with "good service" from the C.B.C. network.

5. The 50 kw. stations have to be located in the densely populated districts to make future development possible from an economic point of view.

6. The preliminary system would be self-sustaining, providing the present six hour service is maintained and general operating conditions remain as they are presently.

7. Considerably more commercial broadcasts than at present would have to be obtained.

Brockington informed Howe that the board was unanimous in its opinion that a three-year development program along the lines suggested was essential if the national policy as outlined by the government was to be implemented. Two immediate steps were imperative: the acquisition by private interests of high-power facilities should be restricted; and the

22 / *Ibid.*, box 12, Brockington to Howe, Jan. 18; Howe to Brockington, Jan. 21, 1937.

23 / *Ibid.*, Brockington to Howe, Jan. 4, 1937. The seven paragraphs that are quoted were actually numbered 5, 6, 7, 8, 9, 10, and 11.

24 / The use of the word "subsidy" in describing the revenue from licence fees suggests that Brockington may have intended that the "further subsidy" should come from an increase in the licence fee. With the number of licences being sold in 1937, a dollar increase would have yielded approximately \$950,000.

corporation itself should begin constructing high-power stations. He reminded Howe that the board had previously recommended that no increase in power be granted to any station whose present power was one kilowatt or more. "The proposed policy of course does not prejudice either existing stations or the erection of new stations within the indicated limit of power."

He concluded by making formal application for a loan of \$500,000 to allow construction of two 50-kilowatt stations near Toronto and Montreal, and in addition certain facilities to improve coverage in Saskatchewan and the Maritimes. To reinforce his interpretation of "declared policy on the subject of Canadian broadcasting," Brockington enclosed extracts from the official records of the Aird Committee, House of Commons committees, and House of Commons debates.

Howe replied in what he himself described as strong terms. His letter, dated January 8, was written en route to Port Arthur. He regretted that his discussions with the board "left no visible impression on your plans." He took exception to a statement contained in the technical report that Brockington had sent him: "Believing that it is the desire of the Government of Canada that the more effective use of broadcasting channels presently available to the Dominion be undertaken by the Broadcasting Corporation. ..." Howe said that he was the responsible minister and that he could not believe he had given "any reasonable foundation for the belief so expressed." He emphasized that the intention of Parliament must be found in the legislation passed. Both broadcasting acts had provided for a corporation wholly dependent on revenues from the sale of licences, plus the earnings of the corporation, except that the act of 1936 made it possible for the corporation to borrow \$500,000 for capital expenditures on projects approved by council. The board therefore should not base its plans on a proposal involving a capital expenditure, over three years, of \$2,200,000 on works, "the operation of which will involve a new operating expenditure approaching \$2,500,00 per annum."

He said the chief criticism of the old Radio Commission was that too little of its revenues went into programs.

The Government believes that the most important function of your Board lies in the direction of building more suitable and satisfactory programmes. I regret to say that it now appears that your chief interest is in the mechanical operation of broadcasting stations. ... May I suggest that the ideal of public ownership seems to stand between your Board and a cold-blooded analysis of the present Broadcasting Act and its possibilities. To date you have presented a statement of what could be done if the Board had another \$2,000,000 for capital, and another \$3,000,000 for current revenue. Not

having either, may I suggest that it might be worthwhile to see what can be done to improve the present situation within the resources of the present Broadcasting Act.

He reiterated his suggestion that more attention should be given to the building of programs and suggested that coverage could be improved by revising the basic network and the contractual relations with the private stations. To protect Canadian channels, "an examination should proceed to discover the possibilities of ... granting increases in power under suitable contracts for Corporation as well as for private use." After improvement of coverage had been explored, the government would consider lending the corporation up to \$500,000 for well-conceived projects. Then he added:

There is no doubt that public ownership of stations is the ultimate aim that should govern all developments. ... The present Broadcasting Act was conceived in high hope that it might bring about a considerable improvement in national broadcasting. The selection of your Board met with the whole-hearted approval of the Canadian people. The record of the Government depends in part on the successful working out of its Broadcasting Act. I sincerely hope that your Board will face realities and so act that the greatest possible improvement that the Present Act will permit can be effected at the earliest possible moment. You have capable technical officers, but to date it seems to me that their efforts are not being directed along practical lines.

While public ownership is an ideal to be achieved ultimately, private ownership and operation under Government control and regulation is also a sound policy. I trust that your Corporation can make use of the latter, while moving in the direction of the former as rapidly as improvement in operating revenues will permit.

Brockington replied on January 18. He said Howe was mistaken in thinking that his remarks had been disregarded by the board. "I was instructed to write to you not because your remarks were unheeded, but because they were received with attention and astonishment. ... Any general policy based upon such a foundation would constitute a surrender in which we would not wish to participate."

He dealt first with the applications by private stations for increases in power. He recalled that at the preliminary meeting of the board of governors, Cdr. Edwards, representing the department, had agreed that "it was the intention of the Department in all cases to act in accordance with the Corporation's recommendation." Brockington asked whether this still represented the department's views. The question was important because of the "practical impossibility of remedying any situation where invested interests can and do so quickly become vested interests."

The reason he had outlined the long-term program was so that the

proposed expenditure of \$500,000 could be seen as part of a truly national scheme. High-power stations had to be built either by national effort or by private capital. "If the erection of high-power stations is left to private capital, the accomplishment of what you describe as the ultimate aim of the public ownership of stations, becomes at once remote, difficult and doubtful. ... Our suggestion leaves a reasonable field for private enterprise. ... We do not know of any wiser solution than the progressive development which the Governors have done their best to place clearly before you."

Where might additional revenue come from? Brockington had several suggestions: a favourable revision of the wire-lines agreement; the "application of the surplusage of licence fees already collected"; a tax on radio tubes; a share of the sales tax levied on radio sets; a small increase in licence fees at a later date; a sliding scale of fees for broadcasting station licences. "We realize with you, of course, that progress and improvement alone can justify additional revenue, and additional capital expenditure, and are prepared to accept that challenge."

In the last two pages of his letter, Brockington dealt with some of Howe's specific criticisms. It was hard to reconcile the objection Howe took to the statement about the corporation's effective use of broadcasting channels with the assurance expressed later in his letter about public ownership of stations being the ultimate aim. And Brockington suggested that surely it was not morally improper to consider the practical unanimity of parliamentary opinion as to the desirability of radio along national lines, which was the origin of the broadcasting legislation. He denied that the governors' chief interest was in the mechanical operation of broadcasting stations: "Our chief desire is in the enthusiastic performance of the duty and privilege of serving the people of Canada which have been extended to us. ... One of our main and essential interests ... is that the public domain in so far as radio waves and broadcasting privileges are concerned, is not (to the prejudice of national control) distributed amongst private interests however clamorous they may be."

Finally, he asked for definite information on whether:

"(a) The Government will consider an ultimate plan based upon the technical surveys, as explained and modified in my letter of January 4th.

(b) Whether as an initial step, the sum provided for under the Act will be advanced for definite construction purposes as necessarily ancillary to the survey plan so outlined.

(c) Whether it is the intention of your Department and the Government to act upon the recommendations of the Corporation in the matter of station licences and power increases."

Howe, replying three days later in more conciliatory tones, said that only that day had he been able to discuss broadcasting matters with the prime minister: "Mr. King, as you know, is very sympathetic to a rapid advance toward public ownership, but on the other hand he quite agrees with me that no commitment can be made by the Government beyond the limitations of the present Broadcasting Act. I suggested to him that on your next visit to Ottawa we three should have a talk about broadcasting matters, and he is entirely favourable." Howe insisted that he was as interested in public ownership as anyone, "consistent with keeping the radio listeners reasonably well satisfied while the transition is being made. ... I have constantly advocated the operation of publicly owned stations along the lines that would justify increasing their number without inroads in the revenues of the Corporation."

In answer to Brockington's specific questions, Howe said: (a) that he could not commit the government beyond the limits that had been approved by Parliament; (b) that it was the intention of his department and the government to act upon the recommendations of the corporation, but obviously he could not commit himself or the government until the nature of the recommendations were known; (c) that, for the government to consider the appropriation of \$500,000 for capital purposes, the corporation must submit plans for a definite construction project. If it was submitted in sufficient detail, Howe had no doubt that it would pass.

He regretted that he had expressed irritation at what seemed "an unreasonable attempt to commit me." The real difficulty was that until Parliament changed the Broadcasting Act, the act itself placed "a definite limit on the powers of either the Government or the Board in broadcasting matters."

On Brockington's instructions, Murray made a formal submission on February 27. The corporation proposed to construct two 50-kilowatt stations in Ontario and Quebec in the fiscal year 1937-8; and to start construction on two 15-kilowatt stations in the Maritimes and Saskatchewan, capable of enlargement to 50 kilowatts in case of ultimate need. The expenditure during the year would be \$500,000 on the Ontario and Quebec stations and \$100,000 on the other two. The corporation requested a loan of \$500,000; the other \$100,000 would be paid out of the operating surplus for the current year. In 1938-9 the remaining commitments would be taken care of (a total of \$320,000-\$110,000 to be spent on the two larger stations, \$210,000 on the two 15-kilowatt stations). Details were also provided on the additional operating costs that would follow construction of the Quebec and Ontario stations. Construction of the four stations would increase the present "good

coverage” from 50 per cent to 75 per cent of the population. Murray expected that the increase in commercial and other revenues would enable better programs to be provided over a twelve to sixteen hour daily schedule.

Howe replied on March 6 that the government agreed to the proposal to build two 50-kw stations in Quebec and Ontario, and would make a loan of \$500,000 for this purpose. He asked that a decision on the other two projects be deferred “until the Quebec and Ontario stations have been placed in operation and have demonstrated an earning power sufficient to carry the other two.” He said Murray’s letter had indicated that such postponement would not seriously delay plans for the stations in the Maritimes and the Prairies.

Although Howe preserved for himself some freedom of action, on the whole it looked as if the board had substantially won its point. The governors were now in a position to announce publicly their policy regarding the licensing of stations, with the reasonable expectation that the minister would accept it.

6 *The Policy for Private Stations*

After its second meeting (December 1936), the board recommended to the minister that the following policies apply to applications for new licences or for increases in power.²⁵

1. New broadcasting stations of small power: the Board favoured these applications for areas with inadequate coverage, but was opposed to new stations that would duplicate existing stations, unless these gave unsatisfactory service.

2. Increases in power for existing private stations: the Board favoured power increases up to 1000 watts if technically possible.

3. All clear channels should be reserved for CBC stations.

4. New private stations should not operate at a power in excess of 1000 watts.

5. If judged desirable, existing private stations operating with a power exceeding 1000 watts might be relicensed to continue doing so, “for the time being and until the Corporation’s system is developed.”

When the corporation learned that its proposal to construct 50-kilowatt stations in Quebec and Ontario was likely to receive government approval, a special meeting of the board was hurriedly called for March 9, 1937. The board agreed to recommend renewal of all existing licenses

²⁵ / Plaunt Papers, box 16, Minutes of Second Meeting of CBC Board of Governors, Ottawa, December 17–19, 1936.

for private stations, and an increase in power for eleven of the smaller stations. Twenty new districts were recommended for 100-watt station licences; where there was more than one applicant, the choice of the licensee was to be at the discretion of the minister, providing the applicant met all technical requirements. Representatives of *La Presse* appeared to support their application for an increase in power to 50 kilowatts. The board recommended against it. Harry Sedgwick, president of the Canadian Association of Broadcasters, met with the board to discuss their draft regulations for broadcasting stations.²⁶

Plaunt was still fearful that the corporation's policy would not be sustained by the Department of Transport. In a letter to Edward Pickering (then in London with the Canadian delegation to the Imperial Conference of 1937), Plaunt wrote:

Edwards has written a memo to his minister in which he argues against our basic resolution (i.e. all high power to the Corporation) and for ... the Rogers (CFRB, Toronto). They want to go from 10 to 25,000 watts but if they were permitted to, the following things would happen:

(a) the basic philosophy and requirements of our plan would be undermined

(b) a precedent for other private increases of high power would be established

(c) the business possibilities of our new Toronto stations²⁷ would be seriously minimized

(d) the Toronto Star, the Globe and Mail, and other organizations wanting high power stations would rain hell

(e) most, if not all the board would resign on such a matter of high policy.²⁸

It was a personal letter, but presumably Plaunt hoped that Pickering would acquaint the prime minister with its contents.

After the board's next meeting, held in Regina from May 15 to 17, 1937, Brockington made another broadcast to announce construction of the two 50-kilowatt stations, and took the occasion also to explain the board's licensing policy. According to the Canadian Press report, he said that "the corporation will recommend to the Government that all new leases and increases in power for private stations be restricted to 1000 watts. He also announced the corporation expects to be on the air twelve to sixteen hours a day by October 1 instead of six hours." The

26 / *Ibid.*, Minutes of Third Meeting of CBC Board of Governors, March 9-11, 1937.

27 / Because of Mexican interference with the corporation's station in Toronto (CRCT), another station of 100 watts, CRCY, was established, using the frequency of former station CKNC (CBC Report for period ending March 31, 1937). CRCT became CBL in December 1937; CRCY became CBY and later CJBC.

28 / Plaunt Papers, box 7, Plaunt to Pickering, May 10, 1937.

Ottawa Journal described his statement as “an encouraging indication of development along satisfactory lines.”²⁹ Plaunt summed up reaction in a letter to Pickering: “Brockington’s speech from Regina in which he announced our policy of ultimately owning all stations of over 1000 watts was well received, even by the private broadcasters who at least now know where they stand. Howe appears to be sold on the policy, also, which helps.”³⁰ He enclosed an approving editorial from the *Winnipeg Free Press*, and said there was similar comment in most editorial pages.

Plaunt discussed Howe’s new attitude at greater length in a letter to Lester B. Pearson, written on July 19. (Pearson was then serving in the Canadian High Commissioner’s Office in London, and the CBC was trying to persuade him to join its staff.) Plaunt told Pearson:

There has been a pronounced improvement in the programmes and in the public’s attitude to the CBC. ...

Perhaps the best indication is the changed attitude of the Minister, Mr. Howe. Until six weeks or so ago he was clearly skeptical both of the conception of the CBC as a new kind of public organization and of the possibilities of our improving programmes. Now, however, there is every indication that he is beginning to recognize the validity of this type of set-up; the capacity of the Board in business matters, and Murray’s ability to deliver the goods.

Howe’s attitude to Murray has changed from one of hostility to one of friendliness. He told a group of people the other day that he considered the CBC the most successful thing the government had done!

... Another interesting sign is Howes’ acceptance of the underlying principle of our technical plan: the ultimate ownership by the CBC of all high power stations (i.e. over 1000 watts) and the corollary that no increases in power or new stations of over 1000 watts be granted in the meantime.

After speaking of the new Toronto and Montreal stations being built, the new wire-lines contract, and a projected service of sixteen hours a day, Plaunt mentioned the plans for high-power stations in the Maritimes and the Prairies: “Between ourselves, the maritime station is already promised and we hope for a budgetary surplus sufficient to launch a big western station if the money cannot be secured through other sources. ... We have decided to recommend the granting of no applications for new stations of 100 to 1000 watts which cannot form an integral part of our network. ...”

In October 1937, Howe made a speech in Moncton which included this statement:

The Broadcasting Corporation has adopted, as a policy, government ownership and operation of the larger stations. In future, private stations will not

29 / *Ottawa Journal*, May 21 and 22, 1937.

30 / Plaunt Papers, box 7, Plaunt to Pickering, June 1, 1937.

be allowed to expand beyond one thousand watts, while existing larger stations will not be permitted to increase their present power. The Corporation will, however, proceed as rapidly as funds will permit to build a series of high power stations, which will in themselves give full coverage. Two of these stations are now under construction. ... Studies are being made for a high power station to serve the Maritime Provinces, where present coverage is far from satisfactory, and it is hoped that funds will permit the construction of this station at an early date.³¹

Howe's speech in Moncton gave official recognition of the corporation's policy. Two thousand miles to the south, there was an amusing postscript. The Inter-American Wavelength Conference began in Havana on November 1. The Canadian delegates were Laurent Beaudry of the Department of External Affairs and C. P. Edwards of the Department of Transport. Also in attendance were technical advisers from Transport, and three representatives from the CBC: Frigon, Manson, and K. A. MacKinnon, radio engineer. According to Manson, one of the Transport officials said in a small committee that the power of CFCN, Calgary and CFRB, Toronto was to be increased. The CBC representatives expressed surprise at this contradiction of policy, citing Howe's Moncton speech, a copy of which Plaunt had sent them. Later, Edwards asked for their support in proposing a power increase for CFRB and CKAC, Montreal. He argued that as a result of the Havana agreement, these two stations would have to be assigned higher, less desirable frequencies. As compensation, they should be allowed higher power. In relating the incident, Manson wrote, "For the second time I produced the extract from Mr. Howe's Moncton speech."³²

There were some hurdles yet: the government had not agreed to the construction program for the Prairies; and the CBC could not carry out an increased service without more revenue. Another overture to the minister was needed.

7 The Persuasion of Mr. Howe – Second Phase

The corporation's income in the fiscal year 1937–8 was about 2½ million dollars, the \$2.00 licence fee yielding of this \$1,900,000.³³ The CBC estimated that it would need in addition more than a million dollars to meet the costs of operating the two 50-kilowatt transmitters in central

31 / 1938 Radio Committee, *Proceedings*, p. 106 (April 5, 1938); quoted by Gladstone Murray.

32 / Plaunt Papers, box 7, Manson to Plaunt, Dec. 6, 1937.

33 / Data on CBC income and expenditure appear in the 1938 *Auditor General's Report* and in the *Proceedings* of the 1938 Radio Committee, p. 129.

Canada, undertake construction of new stations in the Maritimes and the Prairies, and improve the program service.³⁴ Very little of this could be realized by cutting expenditures. The corporation could get better value for its money by renegotiating the wire-lines contract, to permit the network to double its hours of operation. But this would not result in a cash saving—in fact the outlay would be somewhat increased. The corporation had already decided to decrease and then to discontinue the amounts paid to private stations for carrying CBC programs. The former commission had spent a quarter of a million dollars annually in leasing time on private stations; in 1937–8 this figure was halved. By scheduling an increased number of commercial programs, the CBC could justify eliminating entirely its direct payments to the affiliated stations, at a saving of a further \$100,000.

The problem remained to raise at least another million dollars. Although various expedients were considered, two suggestions seemed most practical. The first was for an increase in the licence fee. A dollar increase would bring in another million dollars, almost the amount that was needed. The second possibility was increased commercial revenue. In 1937–8 this had amounted to approximately \$350,000. The corporation was planning to embark on a more aggressive sales policy in the autumn of 1938, but felt that to increase commercial revenues to a million dollars would seriously jeopardize its basic program policy. As Gladstone Murray told the parliamentary committee in 1938: “If we want a million dollars net for advertising revenue, we would so undermine our other functions that we would be indistinguishable from an ordinary profit-making network.”³⁵

The corporation decided to try to induce the government to consider an increase in the licence fee to \$3.00, the amount which had been originally suggested by the Aird Commission; and at the same time, to win the minister’s support for a high-powered station in Saskatchewan. This latter project was related to the negotiations that were proceeding in Havana in November and December, 1937, for an increased number of clear channels. In the corporation’s favour were the indications that the CBC was receiving increased public interest and support, and a generally friendly press.

Murray opened the subject with the minister by writing him a letter on October 28, 1937, in which he restated the board’s aim to increase coverage from 49 to 84 per cent, and their expressed policy for the

34 / *1938 Proceedings*, p. 90.

35 / *Ibid.*, p. 93.

ultimate ownership by the corporation of all high-power facilities.³⁶ "It is understood, of course, that there would be no withdrawal of private station facilities until at least equal service was available. My own feeling is that there will emerge a kind of partnership between public service and private ownership ranging in power up to 1 kilowatt."

Then Murray spoke of financing "the next instalment of the plan, the Maritimes and Western regional stations, and possibly the short wave station." For this construction, the corporation suggested that "Parliament authorize the funds paid by listeners previous to the establishment of the Canadian Radio Broadcasting Commission in 1932. Over a million dollars was paid into this fund, and it might properly be said that it belongs to the listeners. I understand that it had been the intention to turn these funds over to the CRBC to enable it to carry out the technical plan of high power stations prescribed by the joint parliamentary committee of 1932, but that public finances at that time made the move impractical."

For the extra operating revenues required, Murray suggested the raising of the licence fee to \$3.00, the fee upon which the Aird scheme was based. Apart from the capital funds needed for the three projected stations, "the \$800,000 additional revenues which a \$3.00 licence fee would make available, would enable all future financing both of construction and operation to be carried. With this additional revenue, the CBC could give Canada a broadcasting system and service second to none."

After the next meeting of the board, another letter was sent to Howe, which Murray explained was a "composite effort" agreed to by the chairman, the vice-chairman, and Mr. Nathanson. The board made formal application for a second loan of \$500,000 to finance the construction of the two regional stations, and proposed that the licence fee be raised to \$3.00. In an accompanying letter, Murray said that there were two new developments of importance. The first was news from Havana that 50-kilowatt stations must be built on all-clear channels within the next five years. The second development was "fresh evidence of the discontent of newspaper interests generally with the prospect of the indefinite extension of the commercial activities of the CBC." To prevent an all-out commercial policy for the CBC, the newspapers were

36 / Extracts from this letter were quoted by Murray before the 1938 Radio Committee; *Proceedings*, pp. 105-6 (April 5, 1938). He did not read that part of the letter which said that completion of the plan involved "the absorption of about twelve privately owned stations."

prepared to support a \$3.00 licence fee. Murray added: "I recall that when you and I first discussed this problem we were in agreement that it would be better to add the dollar next year while the novelty of expansion and development was still in the public mind. It was only afterwards and chiefly because of the doubts of Mr. Nathanson that the 50 cent compromise was considered."³⁷

Howe replied in a personal letter the next day, promising to discuss the whole subject with his Cabinet colleagues, but he added:

I am extremely doubtful whether the license fee can be increased beyond \$2.50 at any time. Mr. Nathanson [member of the finance committee of the Board of Governors] seemed to be of the opinion that you could live within that income, and I rather think that it will be necessary that you do so.

I am definitely of the opinion that the Manitoba Government Station [CKY, Winnipeg] and possibly the high power Alberta station [CFCN, Calgary] should be taken over and brought up to standard before a new station is built in Saskatchewan. The present situation looks like a wasteful use of wavelengths.³⁸

Meanwhile, the newspaper publishers expressed a wish to meet with the CBC to discuss its commercial policy. A meeting in Toronto was arranged by the Canadian Daily Newspapers Association on January 10, 1938, attended by representatives of the daily and weekly newspapers, the magazines, and the CBC. The Canadian Press reported only that the meeting decided that "closer co-operation ... would be mutually advantageous" and would "serve the public interest," and that a standing committee had been appointed to further this aim.³⁹ In fact, the discussion centred on more precise matters. Murray reviewed the financial position of the corporation and told the publishers that with a \$2.00 licence fee the CBC would need a net commercial revenue of about one million dollars a year; with a \$2.50 licence fee it would need \$500,000 or \$600,000 a year; with a \$3.00 licence fee Murray gave it as his "personal opinion that a quarter of a million per annum, net, would see us through for the next four or five years," on the assumption that capital expenditures would be met by government loans.⁴⁰

The trade publication *Marketing* had a franker account of the meeting's discussion than had been carried by The Canadian Press: "A constructive suggestion was made that if the Canadian Broadcasting Commission would seek to secure its needed additional revenue by

37 / Plaunt Papers, box 7, Murray to Howe, Dec. 8, 1937.

38 / *Ibid.*, Howe to Murray, Dec. 9, 1937.

39 / *Ottawa Citizen*, Jan. 11, 1938.

40 / Plaunt Papers, box 13, memorandum from Murray to members of the board of governors, Jan. 13, 1938.

increasing the licence fee on radio sets, the press would stand back of it and help the public realize that such increase was just and necessary; otherwise the press would have to consider the advisability of revealing what the Canadian Broadcasting Commission is doing in flooding Canada with United States programs.”⁴¹

The day after this meeting, Murray wrote Howe with an account of the proceedings:

I met the representatives of the various newspaper and magazine organizations in Toronto yesterday. ... They were very critical of the commercial policy, but I explained that no competent student of broadcasting in Canada has ever suggested that we could get on without some commercial revenue.

They set up a continuing committee. ... They also decided to give unanimous support to a \$3.00 licence fee on the understanding that if we had a \$3.00 licence fee, we would not require as much commercial revenue. ... They are also going to ask the Government to make a subvention from public funds in replacement of our commercial revenue. I tried to discourage this idea, but I think they will persist in it.⁴²

The committee representing the publishers met Howe in Ottawa on January 14, urging an adequate fee to do away with the necessity for commercial revenue. Howe would not concede that CBC competition was unfair to private interests.⁴³

A few days later, Murray followed up with another letter in which he gave a general account of CBC progress, and again stressed the importance of the newspapers' changed attitude. He believed this made possible the full one-dollar increase in the licence fee that was needed. “The three dollar licence is the only satisfactory basis on which we can make a deal with the press.” It would allow the corporation to complete its coverage plan without raising the commercial revenue beyond \$250,000 a year. Almost all of this would come from network business, leaving the local field for the newspapers and private stations. “My present fear is that 2.50 will give us the worst of both worlds. The united press hostility might be successfully resisted but almost certainly would be crystallized into a political issue for the next General Election.”⁴⁴

Despite Murray's appeal, the minister announced the government's decision to fix the licence fee at \$2.50; the new fee was required for each radio set, rather than for each household as before.

Brockington made another CBC broadcast to explain corporation policy

41 / Quoted by C. E. Johnston, *Debates*, Feb. 10, 1938, p. 358.

42 / Plaunt Papers, Murray to Howe, Jan. 11, 1938.

43 / W. A. Craick, *A History of Canadian Journalism* (Toronto, 1959), vol.

II, p. 222.

44 / Plaunt Papers, Murray to Howe, Jan. 16, 1938.

on February 3. He explained that when the governors took office, the private stations had been paid to carry Canadian programs, which they took or rejected in accordance with their commercial needs. Private interests were making every effort to build high-power stations in the well-populated areas, while Canada's vast rural population was neglected. Brockington continued:

We believed that no system of national programmes could reach Canadian listeners unless the State (which means you) owned high-power stations in Canada; that the release of programmes through private stations was obliged to be irregular and uncertain; in short, that the Aird report, which guided Parliament and contemplated the control of high-powered facilities by the State, was the basis on which we should try to develop. And, knowing how soon invested interests become vested interests, we believed that if we did not secure for the State, for all time, control of the major broadcasting power, a national scheme was doomed to fail. ... The long term plan of the national coverage announced early in 1937 has as its essential feature the ultimate ownership by the State of all high-power stations in Canada. ...

Which do you prefer? The control of high-powered stations by private interests or a national system of high-powered station control ... even though during transition and development periods it is necessary to accept a restricted and selected number of so-called commercial programmes? ... High-powered stations would only be erected by private capital in great population centres where advertising returns were assured. To the State alone would be left the task of increasing coverage in sparsely populated areas.

Brockington reminded listeners that network program time was now 89 hours a week, of which 57 hours were given over to Canadian programs free from advertising, 17½ hours to American programs free from advertising, and 12 hours to British programs. Commercial programs occupied only 12 per cent of the time. "Sincere objections" had been voiced to the broadcasting of American commercial programs, but these occupied only 8½ hours a week, although admittedly they were in particularly attractive radio times. The goods these programs advertised were practically all made and sold in Canada by Canadians. "We belong, willy nilly, to the North American continent and North American civilization. Our comic strips, our moving pictures, the radio columns of our newspapers, all contribute to the glamour of Hollywood and New York." The younger generation, whose tastes were influenced by these things, would continue to select the radio programs in most Canadian homes.

He explained that the construction of the two 50-kilowatt stations in Ontario and Quebec was made possible by a repayable loan of \$500,000, and by a capital surplus of \$200,000. The total commercial revenue for the current fiscal year would be less than \$400,000. "Beyond the figure

of \$500,000 of commercial revenue ... it is not the desire or the intention of the corporation to go, and that only until we are self-supporting from other sources." He defended the increase in the licence fee to \$2.50 by referring to the Aird Report and the licence fees charged in other countries.

The increase in the fee set off a newspaper campaign against it in the larger centres of eastern Canada, particularly in areas close to the United States border – Montreal, Toronto, and Windsor. The additional licence required for second radio sets or for car radios was particularly annoying. On February 7 Plaunt wrote Murray that "the Financial Post-Gazette campaign seems to have caught the fancy of a great many papers." There was an "appalling number" of unfavourable comments on the licence-fee increase.

The licence fee prompted a good deal of debate in the Commons at the beginning of February. Opposition members took up the newspaper argument that Canadian broadcasting was being turned over to American commercial programs, and they reported great popular dissatisfaction with the increase in fee.⁴⁵ One member quoted a headline in the *Financial Post*: "United States speaks – Canada listens!" Howe defended the plans and performance of the CBC, and explained the urgency of using the clear channels assigned to Canada at Havana. He contradicted the assertion of the *Financial Post* that 43 per cent of the programs on CBL, Toronto were American advertising programs.

The present attacks on the principle of public ownership are being made not because the Canadian Broadcasting Corporation is a failure but because it is a success. ... Naturally, when the listening public turns to the publicly owned stations the privately owned stations fight back. That is what is happening today. The fact that the chains are carrying a few of the outstanding advertising programs has caused newspapers and periodicals to fear the loss of advertising revenue. Some of those papers are voicing severe criticism on their editorial pages while their radio pages feature United States commercial broadcasts. So much for consistency in our press.⁴⁶

The complaints of the opposition were summed up by J. A. Marsh, Conservative member for Hamilton West:

First, the Canadian Broadcasting Corporation imports foreign broadcasts for its own network which privilege has long been denied the private stations. Second, the Corporation establishes powerful broadcasting stations but will not permit the private station to increase its power; therefore it cannot

45 / For example, Gordon Graydon, *Debates*, Feb. 1, 1938, p. 88; D. G. Ross, Feb. 2, p. 118; A. B. Hyndman, Feb. 4, p. 189; J. A. Marsh, Feb. 7, pp. 235–6; Hon. J. Earl Lawson, Feb. 8, pp. 261–6.

46 / *Ibid.*, Feb. 8, 1938, pp. 244–9.

complete. Third, the corporation offers sponsors the facilities of these stations, its networks and line facilities, at less than normal cost. Fourth, the non-Canadian activities of this corporation are made possible and the payment of the deficit incurred by a license fee of \$2.50 for each individual radio, which is an imposition and a nuisance tax that should be withdrawn altogether.⁴⁷

As a result of the criticism, Howe moved on February 24 for the appointment of a select committee on broadcasting. Further discussion took place in the House during debates on the estimates of the Department of Transport at the beginning of March; and the select committee met between March 9 and April 7.

The report of the committee was received on May 20.⁴⁸ The proceedings and recommendations of the committee will be discussed more fully in another section, but in brief it expressed satisfaction with CBC policies in relation to coverage, finances, and programs. It recommended a loan or grant to enable the CBC to complete its plans of national coverage at the earliest possible moment, and it approved the general policy of concentrating on a national system of high-power stations.

8 *The Persuasion of Mr. Howe – Third Phase*

When Parliament had approved its policies and its coverage plan, the CBC must have expected that the government would authorize the construction of the transmitter on the Prairies as well as in the Maritimes, and perhaps a short-wave station as well. But relations with the government were still uncertain.

Early in 1938, Plaunt prepared some notes for the use of the prime minister, possibly in case he decided to introduce the motion establishing the radio committee. He told King that recent attacks on the CBC had been in two distinct phases.⁴⁹ The first phase resulted from general newspaper apprehension that the CBC would be obliged to seek large revenues from commercial sources. "This apprehension was aroused in the first instance from the CBC's local commercial activities but was emphasized when last autumn certain new commercial programs, e.g. Imperial Tobacco, appeared on its network." He described Murray's meeting with the newspaper publishers, and the evidence that the newspapers on the whole appeared satisfied. In the second phase, the purpose

47 / *Ibid.*, Feb. 7, 1938, p. 236.

48 / *Ibid.*, p. 3073.

49 / Plaunt Papers, box 16, undated memorandum drawn up by Plaunt and marked in pencil, "To WLMK."

was apparently "the destruction or emasculation of the national system itself." He continued:

The Toronto Globe and Mail, the Montreal Gazette, and the Montreal Star, in particular, engaged in a campaign to undermine the very principles on which the public scheme is based. They have seized the bogey of "Americanization of the Canadian air" as a convenient scare. ... The arguments used by Mr. Jacques Cartier, who is now associated with a Montreal advertising agency, give a clue. ... The CBC is competing unfairly. ... American programs would be available without CBC and licence fee, Government should allow private stations to increase power to provide all parts of Canada service without cost. Mr. George McCullagh's point of view may also be influenced by the refusal of the Board of Governors to recommend his application for a 50,000 watt broadcasting station.

But some of the programs carried by the CBC could be annoying to the government. During the spring of 1938, George Ferguson of the *Winnipeg Free Press* broadcast commentaries which were critical of British foreign policy, and particularly of Neville Chamberlain in his dispute with Anthony Eden. Ferguson's talks led to a number of complaints from Conservatives – private objections from Bennett, and objections in the House from Cahan and the Toronto member, T. L. Church. The "freedom of speech" issue will be discussed later,⁵⁰ but in the present context the important thing is that King agreed with the Conservative criticisms, and said so in the House.⁵¹

Howe also may have thought that the corporation was not properly grateful for the support he was giving it in the House and in the Parliamentary Committee. On April 8 Murray sent a telegram to Plaunt, who was chairman of the committee considering station application, saying that the minister was strongly urging favourable consideration for an applicant for a licence in London, Ontario. Howe wanted a frequency that the corporation had used in Windsor made available for this new private station. Murray added: "In view Minister's urgent representations suggest desirable approve this arrangement with formal ratification next meeting. Hope you can indicate concurrence by return wire to me." Plaunt replied with some annoyance that the application had been recommended for denial by the joint technical committee; the Windsor channel was not available because the closing of the corporation station in Windsor was still conditional. The London applicant did not get his licence.⁵²

50 / See below, pp. 261–8.

51 / *Debates*, May 10, 1938, pp. 2752–3.

52 / Plaunt Papers, box 8, telegram from Murray to Plaunt, April 8; from Plaunt to Murray, April 9, 1938.

In his speech in the House on February 8, Howe had said: "In addition to the fifty cent increase in licence fee, another repayable loan of \$500,000 will be required. In reviewing the work of the corporation and the results accomplished to date it seems to me that the request of the corporation is a reasonable one."⁵³ On the basis of this statement, the CBC Board of Governors in March decided to call for tenders on the transmitter planned for the Prairies.

The loan was put through, but the CBC found that the minister did not agree to the construction of the Prairies station as well as the one in the Maritimes. Howe wrote Murray on July 4 giving these reasons for not going ahead: the CBC was being sued by Gooderham and Worts for \$250,000 (as a result of the commission's contract leasing its transmitter near Toronto). The CBC should wait to see whether it needed its reserves to meet an unfavourable judgment in that case. Operating costs of another station in the prairie provinces would result in the expenditure of \$100,000; with the opposition to the increased licence fee, it was desirable to keep operating costs to a minimum. Two high-power stations had been built in 1937; surely one a year at this time was enough.⁵⁴

An emergency meeting of the board of governors was called, and after it Brockington decided to send a "personal and confidential" letter to the prime minister.⁵⁵

You will recollect that early construction of both this station and a similar one in the Maritimes formed the principal justification of the increase in the licence fee and that such construction was announced by myself over the air on February 3rd, and by Mr. Howe in his speech to the House of Commons on February 8th. The proposed construction was also outlined in evidence to the Parliamentary Committee and was approved by its report. The Corporation's budget for the present fiscal year, founded on what we believe to be a basis of moderation, includes adequate provision for the operation of these stations, and a loan of \$500,000 for capital purposes (and I think I may say for these capital purposes) was voted in the Supplementary Estimates on the last day of the Session.

Brockington said that the board earlier that day had considered all the objections which the minister had raised. The board had passed a resolution reaffirming the necessity of the construction in the Prairies and its belief in "the redemption of the solemn promises." The board had then met with Mr. Howe, and it was their hope that he would recom-

53 / *Debates*, Feb. 8, 1938, p. 246.

54 / *Plaint Papers*, box 12, Howe to Murray, July 4, 1938.

55 / *Ibid.*, Brockington to King, July 11, 1938. Mr. Nathanson, who perhaps enjoyed Howe's confidence to a greater degree than any other governor, was at this time in England.

mend authorization of this project. Two days later, Howe advised Brockington that the cabinet had approved an order providing for the 50,000-watt prairie station.⁵⁶ It seems that King must once more have intervened on the CBC's behalf.

The 50-kilowatt stations near Montreal and Toronto (CBF and CBL) had opened in December 1937; the two new stations, CBA (located at Sackville, NB) and CBK (Watrous, Saskatchewan) were opened in May 1939, in time to broadcast the events of the royal visit to Canada of King George VI and Queen Elizabeth. CBC now had a powerful transmitter in Quebec for its French programs and a smaller transmitter (CBM) for broadcasting English programs in Montreal, as well as regional transmitters in the Maritimes, Ontario, and the Prairies. There was no major construction possible after the outbreak of the war; but with the opening of CBA and CBK, the CBC networks served 84 per cent of the Canadian population.⁵⁷ Over great opposition, the CBC governors had succeeded in building a strong chain of powerful stations, as the Aird Commission had envisaged ten years before.

56 / *Ibid.*, Howe to Brockington, July 13, 1938.

57 / 1939 Radio Committee, *Proceedings*, p. 8; evidence of L. W. Brockington.

9 THE TESTING PERIOD, 1938–1939

IT WAS ALL VERY WELL, in Gladstone Murray's words, to have a Canadian Broadcasting Corporation modelled on the British Broadcasting Corporation, with the common characteristics of "remote State control, independent management, an unpaid board of governors as public trustees, an executive of the normal business model."¹ On this fundamental of the public corporation, there was now little disagreement within Canada; nor was there on the proposition that the CBC should operate a system of high-powered stations to provide radio service to most of Canada's populated area. This amount of consensus at least had been established.

But as Gladstone Murray knew, the differences between the British and Canadian systems were as important as the similarities, and on questions arising from these differences there was much less agreement. The two years before the outbreak of war provided a testing period for issues unlikely to be resolved by further legislation. As a result of those pre-war controversies and struggles, broad agreement seemed to be emerging in 1939 on the more contentious issues, indeed on the system as a whole.

Among the unresolved questions at the beginning of 1938 was the nature of the program service the CBC should provide. Should there be two services, separate but equal, one for English-speaking and one for French-speaking Canadians? Or should there be one national service serving the majority who spoke or understood English, with supplementary programs in French? And should the programs broadcast by the nationally owned stations be entirely non-commercial or mainly non-commercial; or should they be partly commercial, partly sustaining (without advertising)? If they were to be partly commercial, what proportion should be American in origin?

These questions had necessarily to be considered in relation to the

1 / W. Gladstone Murray, "Satisfying a Scattered Public," in the supplement on Canada, *The Times*, London, May 15, 1939.

amount and kind of financial support which the corporation would be granted, and the degree of financial independence it would enjoy. But equally, any proposed course of action impinged on the role of the private stations, some of which were essential in providing full distribution for the national program service; and virtually all of the private stations performed a valued local service. The most determined opposition to the corporation was over its dual function of regulating stations and providing a program service. This situation was not found in Britain, or the United States, or any other country likely to provide a model. Especially in dispute was the corporation's power to control and regulate the operation of networks. It was asked whether the only networks were to be CBC networks; whether there were to be the same regulations for all hook-ups – for networks operated by the CBC, for nation-wide networks of private stations, and for more restricted hook-ups (subsidiary networks).

Then there was the question of how political and controversial broadcasts were to be regulated. If the Canadian system of broadcasting was to have certain national purposes, there was the practical question of who would determine the proportions and kinds of program material and the selection of the participants. Should access to the microphone be decided principally by the processes of the market, or should the CBC as regulating authority make ground rules for its own and other stations? The former Radio Commission had taken some initiatives, but it had not provided any final or satisfactory solution. Attempts to reinterpret or add to the regulations raised the vexed question of freedom of expression.

Finally, there was the over-all question of how much responsibility Parliament or the government should assume for broadcasting policy, and how much delegation in practice should be made to the board of governors of the CBC. The issues that tested the government's responsibility and the corporation's accountability were precisely these: the kind of financial support the corporation could count on; its bilingual policy; its acceptance of commercial and American programs; its power to regulate private stations and to delineate their functions; and its policy governing political and controversial programs.

1 Issues Receiving Attention in Parliament

During the first year of the corporation's existence, broadcasting affairs received scant attention in Parliament. The relevant debates in the House

of Commons are recorded in a half-dozen pages of *Hansard*. A Conservative member from Toronto objected to a speech given by Gladstone Murray, in which he had spoken about the CBC's bilingual aim. Another Conservative from Toronto questioned the CBC's policy with respect to freedom of discussion and censorship of manuscripts.² In the first case, the minister replied that the government had no responsibility for the speeches of officials of the corporation; in the second, Howe gave a defence of the method the CBC employed to decide what material should be broadcast. The lack of controversy about the CBC was in marked contrast to the bitter debates which took place in the House during the first year of the Radio Commission's existence. Nevertheless, there were signs that members of the House expected to receive detailed answers to questions about CBC administration, and were annoyed when these were not forthcoming. In 1937, 1938, and 1939 Conservative members asked questions about the names, positions, and salaries of CBC employees, and each time the information was refused. The correspondent for *Le Devoir* reported on March 16, 1937, that some members were complaining about the "irresponsibility" of government commissions to Parliament, citing questions that had been asked about the CBC, the Bank of Canada, and the Civil Service Commission.

The reverse concern was felt in the CBC, that the minister was answering questions in too much detail, thereby confusing the responsibility of the board of governors and of the minister. After Howe's reply about censorship of broadcasts in Toronto, Plaunt protested in a letter to Brockington: "The business of broadcasting should no more be subjected to these sort of questions than the business of railroading, and unless the unfortunate precedent is reversed and a standing committee established, Murray will have to spend his whole time during parliamentary sessions in coaching the Minister on his replies. Further, there is the obvious objection from the viewpoint of sound business and public policy."³ Plaunt suggested that there should be a select standing committee on radio, similar to that on railways. Indeed, he and Claxton had suggested such a committee during the period when they were promoting the reorganization of broadcasting.

In the parliamentary session of 1938, debate centred on the increase in the licence fee announced by the government, and the CBC's commercial policy which, it was alleged, brought the threat of Americanization of network programming. The government agreed to appoint a

2 / *Debates*, April 2, 1937, pp. 2470–1, and April 6, pp. 2656–61; discussed below, pp. 250 and 257.

3 / Plaunt Papers, box 7, April 7, 1937.

parliamentary committee to consider the annual report of the corporation, and to review its policies with special reference to revenue, expenditures and development.⁴ There was, however, no mention of a standing committee which would meet every year.

During the debate which preceded announcement of the committee, opposition members took their cue from a press campaign which was being carried on in the *Financial Post* and other newspapers; this is obvious in comparing their speeches with the articles and editorials which were then appearing. The principal Conservative critic, Earl Lawson, urged that those who were opposed to the policy of the corporation, "as now accepted by the minister," be given the opportunity to present the other side of the case; presumably he meant the private stations. Later, he asked for a copy of all contracts made by the CBC in connection with its commercial programs. Howe replied: "The government must decline to produce these papers. ... The CBC is an autonomous body, independent of the ministry of the day as to its internal affairs, and in that regard it is on an exact parallel with the Canadian National Railways. Honourable members are aware that the government does not answer questions in the house relating to the internal management of the Canadian National Railways." He added that the management of the Canadian National Railways appeared before the Railways Committee, and that the government was willing to set up a similar committee for radio.⁵ The House divided on Lawson's motion to produce papers, the motion being defeated by 140 votes to 52. CCF and Social Credit members voted with the Conservatives.

The relationship between the corporation and the government continued to interest members, and Howe gave this explanation during the debate on the collection of radio licence fees:

The corporation is a self-contained body, over which the Department of Transport has absolutely no control. As minister my only relation to the corporation is that if the government wishes to communicate with it, I am the channel through which that communication is made, and if the broadcasting corporation wishes to communicate with the government, it does so through myself. ... I have ... one check on the corporation, that is I can take my own time in paying over the money we collect, and I exercise that power to make sure that the corporation lives within its means. Each month the corporation submits to me a budget for its requirements, and on the basis of that budget, which we check, we pay over the funds as we collect them from the broadcasting receiving licences.⁶

4 / *Debates*, Feb. 24, 1938, p. 758.

5 / *Ibid.*, Feb. 14, 1938, p. 410.

6 / *Ibid.*, March 4, 1938, p. 1047.

A number of members expressed pleasure at the evident improvement in programs, but said the increase in the licence fee was unpopular. Fuller inquiry into the reasons for the increase in fee, and consideration of possible alternatives, was left for the special committee.

The other important question raised during the session of 1938 concerned controversial broadcasting on international affairs. This debate enlisted leading members of both opposition and government, including the prime minister; it is discussed below, on pages 261–8. During this debate the former Conservative minister, H. H. Stevens, who was now the leader and sole representative of the Reconstruction party, expressed himself as being in favour of what was essentially the American system of broadcast regulation: “Is it advisable for a government agency to administer and operate broadcasting stations? I believe the radio corporation should be limited to a supervision of the technique of broadcasting – wavelengths, licensing, the times at which stations shall operate, and their power. I think it would be better in the light of the circumstances that have gradually developed, if broadcasting were in the hands of private corporations.”⁷

In the session of 1939, a single question dominated the minds of the parliamentarians: the right of an individual speaker to buy time on networks to express his views on public affairs. The controversy arose from a request of the publisher of the Toronto *Globe and Mail*, C. George McCullagh. The matter was discussed at length in the debate on the Speech from the Throne, and it also formed the central topic of inquiry by the special committee on broadcasting in 1939.⁸ As a result of this committee’s deliberations, the policy worked out by the CBC to govern political and controversial broadcasting was to be its guide for many years. It has not been changed significantly to the present day.

2 *The Commercial Policy of the CBC*

We have seen that the development of a policy to accept the commercial sponsorship of network programs was one of the principal departures of the CBC from the course pursued by the former commission, that it alarmed many publishers, some of whom had supported or perhaps tolerated public ownership in broadcasting, and that the CBC’s commercial policy was one of the principal issues investigated by the parliamentary committee in 1938. Commercial policy affected the

7 / *Ibid.*, May 11, 1938, pp. 2781–2.

8 / See below, pp. 268–77.

quality of the national program service, the CBC's relations with private stations, and the development of the Canadian taste for American popular entertainment.

The practice of accepting advertising on publicly owned stations was not new. The Radio Commission had allowed local advertising on its stations, and accepted commercial programs from NBC on its Toronto and Montreal outlets. But until 1935 its wire-lines agreement prevented the commission from distributing sponsored network programs in its own time. When an advertiser wanted to broadcast to a national audience, special hook-ups had to be arranged, through the commission, in periods other than those reserved for CRBC sustaining programs. And because the private stations forming the greater part of the CRBC basic network received no commercial revenues from commission programs, those stations were paid a subsidy by the commission for carrying the national service.

The idea that the public broadcasting authority should derive an important part of its revenue from advertising was not new either. The Aird Commission had suggested that the national service (which it thought would be made up entirely of publicly owned stations) should carry enough programs with "indirect" advertising to bring in a net revenue of \$700,000. The Radio League accepted this idea, and in 1932 argued that the acceptance of programs arranged by different sponsors would prevent an undesirable program monopoly. Spry suggested to the committee of 1932 that advertising should contribute a revenue of \$950,000. Some of the league's newspaper supporters, however, saw the development of a national broadcasting system as a guarantee against the increasing commercialization of radio in Canada, and they assumed that the program service would be financed almost exclusively by a licence fee.

The commission's commercial revenue was only a fraction of that which had been suggested. In 1935–6 its commercial revenue was about \$236,000.⁹ Although the commission was most inadequately financed by the \$2.00 licence fee, it shrank from embarking on a commercial policy so far as its network operations were concerned. It was afraid of alienating its newspaper support; and no doubt it hesitated to engage in an open battle with the larger private stations which were not part of its basic network. At all events, the commission by its self-denial helped to

⁹ / Canadian Radio Broadcasting Commission, *Annual Report* for fiscal year ended March 31, 1936, p. 10. The gross receipts were about \$372,000 but \$135,000 of this was received in trust and paid out again in accordance with commitments.

establish the notion that programs on the national network should be unsponsored, even though the commission in its last year began moving cautiously away from this position.

In 1936 the Radio League again advocated that sponsored programs should form part of the network service: "The policy with regard to national advertising should be to encourage the trans-Canada broadcasting over the Corporation's chain of high-class commercial items, by offering a lower wire rate than that commercially obtainable. The policy with regard to local advertising should be that of fair competition in securing local advertising contracts of a high class variety, possibly with some tribunal named to penalize rate-cutting."¹⁰ The Radio League still had allies among newspaper publishers and editors, but newspaper support was much less vocal than in 1932. This diminution resulted partly from the fact that in 1936 a public system was taken almost for granted, and partly from the fact that the Radio League was not so active in soliciting support. But also there was some falling away: a few more newspapers had developed a financial interest in commercial broadcasting through stations with which they were connected. Broadcasting in 1936 was more profitable than in 1932. The publisher of the *Calgary Herald*, for example, had been an active supporter of the Radio League in 1932. The *Herald* owned a radio station, CFAC. In 1936 the publisher of the *Herald* wrote Plaunt asking that his name be removed from the list of members of the league, since he had "no particular interest in this subject at present."¹¹

In the committee hearings of 1936, E. A. Weir elaborated on the way in which sponsored programs might be arranged. A sixteen-hour program service should be instituted, and new wire-line contracts drawn up so that each program could be transmitted at a cheaper and more attractive rate. The commission or corporation should establish a network rate structure for national advertisers as was done by the American networks.¹²

When the CBC took over from the commission, E. A. Weir was hired as commercial manager, and he set about implementing the policy he had advocated. On July 31, 1937, *Business Week* reported that the CBC in a shift of policy was now prepared to accept on its network sponsored programs from the United States. In October the network operation was increased from six to twelve hours a day; and with the opening in December of the two 50,000-watt regional transmitters in Ontario and

10 / 1936 *Proceedings*, p. 353; evidence of A. B. Plaunt, May 7, 1936.

11 / Plaunt Papers, box 6, J. H. Woods to Plaunt, April 9, 1936.

12 / 1936 *Proceedings*, pp. 509-12.

Quebec, the corporation was in a position to expand its commercial schedule. American programs were accepted subject to the provision that the goods advertised were made or distributed by companies in Canada. In January 1938, the CBC network began carrying such popular NBC programs as "Kraft Music Hall" (Bing Crosby), the "Jack Benny Show," "Fibber McGee," "One Man's Family," "Charlie McCarthy," and the "Contented Hour"; and two or three CBS programs such as "Lux Radio Theatre." Advertisers were much less interested in sponsoring Canadian productions, which cost more and which had less certain popularity. A few Canadian programs found national sponsors: for example, Imperial Tobacco sponsored a series of musical programs on Sunday afternoons, and Imperial Oil the Saturday night hockey games. In February 1938, network programs were divided as follows: 57¼ hours of Canadian programs, unsponsored; 3¼ hours of Canadian programs, sponsored; 17½ hours of American programs, unsponsored; 8¼ hours of American programs, sponsored; 12½ hours of programs from overseas, unsponsored.¹³ Two years later, the corporation succeeded in selling more Canadian productions, for example, "The Happy Gang," a variety program which began as a CBC sustaining program, and "Treasure Trail," a quiz game offering prizes to listeners and contestants. There was also a rapid development of commercial programs on the French network.

In the fiscal year ending in March 1938, the gross commercial revenues of the corporation (network and local) were about \$645,000, and the net revenue was about \$356,000. The following year, the gross revenues were about \$585,000.¹⁴

Brockington told the parliamentary committee in 1938 that commercial programs brought the CBC three advantages. "We get first of all, a revenue; secondly, we get a high standard of entertainment; and thirdly, we get the occupation of broadcasting time."¹⁵ By this last, he meant that the corporation was saved from having to pay the costs of sustaining programs which it would otherwise have had to produce. His catalogue did not specify two other important considerations. A large number of Canadians were already listening to the well-publicized American commercial programs from American stations; it was hoped that by scheduling some of these popular programs on the Canadian

13 / *Debates*, Feb. 8, 1938, p. 247.

14 / *Auditor General's Report*, 1937–8, p. 198; 1938–9, p. 177. Gross billings increased much more than this latter figure would indicate, but in 1938–9 payments to private stations were paid out of commercial receipts. Previously they had been paid out of general revenues.

15 / *1938 Proceedings*, p. 60.

network, many listeners would form the habit of listening to Canadian stations. Further, the commercial programs helped assure the co-operation of private stations in distributing the national service to all parts of the country. The private stations received programs that at once enhanced their schedules and brought them a share of the revenue. In return, stations of the “basic” network agreed to reserve a certain number of hours a week for CBC sustaining service. In 1939 there were twenty-eight private stations on the basic network, and CBC programs were available on an optional basis to twenty-one other privately owned stations.

3 *The Newspapers’ Campaign in 1938*

Until the signing of commercial contracts and the importation of American network programs, the CBC enjoyed a good press. For example, the *Montreal Gazette*, which became one of its principal critics, had welcomed the report of the Radio Committee in 1936, and the broadcasting act which followed.¹⁰ By the end of the CBC’s first year, the *Gazette* (on December 28, 1937) expressed delight with its accomplishments. “Its activities are under expert direction, it is increasing its facilities, it knows what the public wants. ... It is proceeding upon sound lines.” But three weeks later (January 19, 1938) the *Gazette* reversed its position completely. The CBC was getting far from its original purpose, which was regulation and supervision. It was not Parliament’s intention to “create a national broadcasting organization which should become a law unto itself, which should cut into the business of established industries.” Although the Canadian public never expected too much of this Corporation, they did expect a gradual reduction in the volume of radio advertising. Instead, they were receiving a “flood of American advertising over the air ... highly injurious and dangerous to those in Canada who are engaged legitimately in the advertising business, a business which the Corporation appears to be determined to destroy.”

A similar editorial appeared in *Saturday Night*. The *Quebec Chronicle-Telegraph* expressed itself more colourfully:

At bottom the argument of Major Murray is that which some crook or woman of the street might use equally well to excuse their degradation: their means being “insufficient” to gratify their vices, selling their honor is likewise “the obvious and easy thing to do.” But whereas it is their own honor that these unfortunate individuals purvey, the Canadian Broadcasting

16 / *Montreal Gazette*, May 28 and June 17, 1936.

Corporation does not hesitate to traffic in the honor of the Canadian people and of the Canadian Government.¹⁷

The *Financial Post* led the campaign to limit the CBC's commercial programs. From 1929 to 1936 it had opposed public ownership of broadcasting stations: in 1932, for example, it declared that Canada had enough bureaucracy "without going socialist on the radio question"; a public system would represent "another step toward Communism."¹⁸ The *Post* was an implacable foe of the Radio Commission. In 1937 the editorship was still the same, yet we find in October of that year an editorial marking an almost complete reversal of position. The editorial started off predictably:

What an anomalous position it would be if the board of directors of the Canadian National Railways acted also in the role of a Board of Railway Commissioners for Canada! ... Yet exactly that condition prevails in radio. The Canadian Broadcasting Commission operates radio stations on a commercial basis, selling time and arranging advertising programmes, and at the same time it controls the operations of all its competitors.

The next paragraph introduced the surprise:

It is an anomaly that must some day be resolved. And the best indicators of public opinion in Canada point to the direction in which the solution will be found. It will be in the final acquisition of all radio stations in Canada by the state and the elimination of all commercial programmes from the air. ... Radio is definitely commercialized in the United States and will remain so for many years. And while Canadian stations can be divorced from advertising uses the Canadian air cannot. To many this may seem to be a final and insurmountable barrier to de-commercializing radio in Canada. But more mature reflection will probably lead the nation to believe that it is better to use our exclusive wave bands for enriching social and community life, in both education and entertainment, and trust that our example will lead the United States to our point of view rather than for us to be guided permanently by the habits of our neighbor.¹⁹

Apparently the unease caused by the increasing competition of radio was enough, in spite of continuing fears of socialism, to convert the *Financial Post* to a view that might have been inspired by Sir John Reith. Indeed, the paper went further in advocating "public service radio" than anyone had in Canada since the days of the Aird Commission. But the *Post* did not follow up its editorial until early in 1938 when it started an intensive campaign to have the CBC divested of its commercial programs. It then called for a "showdown," charging that the CBC had sold

17 / Reprinted in *Gazette*, Jan. 21, 1938.

18 / *Financial Post*, April 23 and May 21, 1932.

19 / *Ibid.*, Oct. 23, 1937.

contracts to a dozen leading American advertisers, worth about \$600,000. This money would be diverted, in part, from “publications which not only give employment to Canadians but which are the bulwarks of national unity in this country.” Canadians would not stand for the prostitution of a project which had been intended to give them radio free from American domination. The CBC was carrying American programs at “bargain prices.” The *Post* analyzed a week’s schedule for the Toronto station, CBL, and concluded that 44.3 per cent of its total time on the air was now “expatriated.”²⁰ The *Post* admitted that the CBC had brought a pronounced improvement in the quality of Canadian programs, but maintained that by putting American commercial programs on the air the CBC was riding two horses going in opposite directions.²¹

The American magazine *Business Week* (February 5, 1938) reported that publishers and other interests were lobbying in Ottawa with a campaign more determined and better organized than any the CBC or CRBC had previously encountered. The *Financial Post* reprinted editorials from daily newspapers which shared its view: the *Quebec Chronicle-Telegraph*, the *Moncton Daily Times*, the *Port Arthur News Chronicle*, the *New Glasgow News*, the *Toronto Globe and Mail*, the *Toronto Telegram*, the *Montreal Gazette*, the *St. Catharines Standard*, and the *Calgary Herald*. The *Montreal Gazette* quoted additionally from *Le Devoir* and *Le Soleil*.²²

After Brockington and Howe gave public assurance that the corporation did not intend to increase its net commercial revenues beyond a limit of \$500,000, the *Financial Post* moderated its position. When the Parliamentary Committee was announced, the *Post* wrote (February 26, 1938): “Much of the work done by C.B.C. has been excellent. ... The forthcoming enquiry ... should not be misled by attempts to destroy the concept of national, independent radio for Canada.”

The *Financial Post* did not oppose the increase in the licence fee, because this would help limit the CBC’s commercial activity; but some newspapers opposed the increase on any grounds whatever. These included the *Toronto Telegram*, the *Globe and Mail*, the *Montreal Gazette*, and the *Windsor Star*. The *Toronto Telegram* used the old

20 / *Ibid.*, Jan. 15, 1938. CBL Toronto broadcast for a longer daily period than the network, and it carried many more NBC programs. Conflicting Canadian programs were transmitted by the alternative CBC station in Toronto, CRCY. According to Howe’s statement in the House of Commons, 35 per cent of CBL’s programs were commercial and these were split evenly between American and Canadian programs.

21 / *Ibid.*, Feb. 12, 1938.

22 / *Ibid.*, Feb. 5; *Gazette*, Jan. 24 and Feb. 17, 1938.

device of printing a daily “radio poll,” in which readers were asked the questions, “Do you approve licensing radio?” and “Do you approve increasing cost?”²³ *Le Devoir* believed that the programs of the corporation were superior to those of private stations, but still thought it was an inopportune time to raise the licence fee.²⁴ The majority of publications, among others, *Saturday Night*, the *Calgary Daily Herald*, and the *Ottawa Journal*, felt that an increase in the fee was justified so long as the CBC limited its commercial programs. The *Ottawa Citizen* argued that those newspapers campaigning against the increased fee had been opposed to the national policy of public service from the beginning; the licence fee was but “an excuse for the enemy forces to attack.”²⁵

After this flurry of press agitation and comment, the radio committee started its hearings in March 1938.

4 *The Radio Committee of 1938*

The select committee to review radio broadcasting had twenty-three members – seventeen Liberals, four Conservatives, the leader of the CCF (J. S. Woodsworth), and C. E. Johnston, representing the Social Credit group. A. L. Beaubien of Provencher, Manitoba, was again chairman. The committee held seven public meetings between March 24 and April 7, with representatives of the CBC being the only witnesses called. Brockington was the chief witness during the first three meetings, and Gladstone Murray during the other four.

The committee gave Brockington a fine opportunity to place on record the policies, objectives, and accomplishments of the corporation to date, an opportunity of which he took full advantage.²⁶ He spelled out the non-partisan nature of the corporation, its independence of the government, and the policy of retaining “in the name of the state control of high-power facilities within Canada.” He told the committee that in November 1936, there were 75 licensed stations, 8 of them owned or leased by the corporation. The total power of the CBC stations was then 14,200 watts, and of the other stations, 64,300 watts. In March 1938 there were 81 stations, 9 of them owned or leased by the CBC. The total power of the CBC stations was 112,200 watts, and of the other stations, 69,200 watts.

23 / *Evening Telegram*, Feb. 11, 1938.

24 / *Le Devoir*, Jan. 19, 1938.

25 / *Ottawa Citizen*, Feb. 5, 1938.

26 / *1938 Proceedings*, pp. 1–68, March 24, 25, 29.

With the opening of the two new stations in Quebec and Ontario, the basic network (of some 39 stations) served about 76 per cent of the Canadian population. The corporation hoped to place in operation similar high-powered transmitters in the Maritimes and Prairies, and when this was done the network would serve 84 per cent of the population. CBC ownership of stations was necessary to provide adequate coverage to all parts of the country and to ensure regular distribution of scheduled programs over the whole broadcasting day. "We decline to be a program building body that feeds and subsidizes private stations with CBC programs to be taken at their convenience."

Brockington dealt principally with four questions: CBC policy with respect to freedom of speech; the policy for private stations; commercial policy, with its threat of Americanization; and the increased licence fee. He confirmed that it was the intention of the corporation to limit its commercial revenue to \$500,000; but to get this net revenue, a gross revenue of \$700,000 was needed. While the CBC hoped eventually to reduce the amount of advertising, "a reasonable position ... is that it is better to have some advertising than the abandonment of radio completely to commercial chains. ... In any event with the Canadian listener field dominated by powerful stations from the south I do not think you could keep Canada free from [commercial] programs. ..."

If radio in Canada had not been nationalized the great American chains would have dominated Canada. If tomorrow the CBC ceased to exist every private station in Canada I think without exception would be delighted to be the member of an American chain. ... Instead of having the limit of 8½ hours a week which you now have of these commercial programs they would dominate the air. I agree with the Aird report that if the Canadian Broadcasting Commission had not been set up there might be a disastrous Americanization of Canada by way of the air. (*1938 Proceedings*, p. 34)

Two members wondered what the objection was to having commercial programs: A. M. Edwards, the Conservative member for Waterloo South, and C. E. Johnston, the Social Credit member for Bow River. Brockington replied that there was no great objection to the amount carried at that time, but he looked forward to the day when commercial programs would be "institutional rather than advertising." Johnston thought the CBC should carry more commercial programs rather than ask for a larger licence fee, and he argued that the chief objection to radio advertising came from the newspapers and magazines. Brockington replied (p. 63): "It is a mere coincidence that the private interests of those magazines happen to fall in with our conception of the public interest. ... It is clear ... that too much commercial broadcasting does

TABLE III

	(%)	Figures for Year Ending March 1936 (\$)	(%)	Figures for Year Ending March 1938 (\$ estimate)
Administration	7.57	120,606.89	5.66	122,468.37
Programs	38.99	621,247.97	53.67	1,161,938.41
Operation of stations	10.73	170,954.32	13.65	295,508.94
Lines	28.33	451,406.28	21.95	475,193.69
Leases of time on private stations	14.38	229,280.78	5.07	109,890.59
		<u>1,593,496.24</u>		<u>2,165,000.00</u>

prevent intelligent and desirable program building.” A Liberal member, Mr. Dupuis, commented: “I believe that a fair and reasonable proportion of the advertising is good and very useful in the household.”

To show that the CBC was spending its funds wisely, Brockington compared the percentage the commission had spent on programs in the year ending March 1936 (39 per cent) with that spent in the year ending March 1938 (53 per cent). More complete figures were given during the testimony of Gladstone Murray (Table III).²⁷

Brockington defended the licence fee as a source of revenue (pp. 12–15). He argued that listeners in the United States also paid for their radio service, but the costs were hidden:

Does anybody think for a moment that the listeners of the United States are not paying greater tribute for radio listening than the listeners of Canada? Who is paying for the profits of the radio station? Who is paying for profits of the manufacturers, etc.? Who is paying for the artists, and who is paying for all these large programs if it is not the listener of the United States? It has been calculated that the actual annual imposition on the American listener amounts to twenty dollars.

An annual vote by Parliament was not the solution:

An annual grant by parliament would solve a lot of problems, no doubt ... but I do want to point out, having regard to the independent position which this Corporation was intended to occupy, that an annual grant will leave a great uncertainty hovering over the Corporation. It will be difficult to budget. It will be subject to the caprice of the vote of parliament. ... It will do something to this Corporation which from the national point of view will be a calamity. It will eventually throw this national radio business right into the very vortex of politics.

27 / *Ibid.*, Brockington, p. 11; Murray, p. 129.

He knew the CBC had opposition:

I see evidences of opposition from manufacturers, possibly from manufacturers who believe there will be some reduction perhaps in their sales and their profits because of the enlargement of our activities. I see opposition from some private stations who feel that their activities and their enlargement might be either restricted or interfered with. ... [But] in the main the people of Canada see the case clearly before them. ... Without public control and progressive public development, sustaining educational and cultural features cannot be extensively broadcast. Without public control, listeners in isolated and less populated parts of the country cannot enjoy the privileges which have hitherto been reserved for some of the great centres of population.

Paul Martin, the Liberal member from Windsor, opposed the licence fee:

I tell you, speaking now only for the western Ontario district ... the CBC is not a popular institution. I have championed it from the beginning, as you know. ... It was unpopular for many reasons before the increase but this has tended to increase that unpopularity. ... I am absolutely opposed to the fee. I think it is a most dangerous and unfortunate irritant.

Brockington replied (p. 38):

I realize the truth of what Mr. Martin says with respect to his own district – but I would like to point out to him that we are not concerned with popularity, we are concerned with doing our duty. ... I feel quite sure that in the western provinces, and I believe in the maritimes, our position with regard to the lonely listener is completely understood and that the aspirations of the C.B.C. are perhaps a little better understood than they are in those other districts.

H. S. Hamilton, Liberal member for Algoma, assured Brockington that as one from the northern part of Ontario, he understood and appreciated his attitude. “The trouble with them ... in the south of Ontario is that they have a surfeit of radio reception.”

Gladstone Murray was of course questioned more about CBC operations than about policy; but it was he who outlined the nature of the representations that the CBC had made to the minister about an increase in the licence fee.²⁸ Defending the CBC’s commercial policy (p. 94), he said that “the very best programs of a certain kind are these commercial programs. They have enormously enriched our service.” But there was a limit beyond which the CBC should not go: “If we want a million dollars net for advertising revenue, we would so undermine our other functions that we would be indistinguishable from an ordinary profit-making network. ... My own personal view is that we have got really too much

28 / *Ibid.*, pp. 90–183.

advertising now; for example, definitely on CBL and on CBF. ... We are not giving our best Canadian programs the opportunity which is their right. We are not giving them that full coverage which is their right."

In their search for an alternative source of revenue for the CBC, some members suggested that the government should release a sum of over a million dollars that had been collected in 1932 after the licence fee had been raised, but never paid over to the CRBC. Paul Martin asked (p. 112): "This money is clearly in trust ... What effort has been made by the present Governors to get this money either through an appropriation by parliament or by any other method?" Murray assured the committee that the suggestion had been made to the minister; but he added that even if the million were made available there would still be a need for the fee increase. Howe submitted a memorandum to the chairman of the committee, explaining that "the committee of 1936 recognized this claim by providing that in future the Government will pay the cost of interference services by direct vote of Parliament. ... Therefore, if any discrepancy as claimed exists, it is being reduced at the rate of over \$200,000 per annum." In brief, Howe refused to release any of the funds accumulated, but he said he was recommending a further loan of \$500,000 to the corporation for capital purposes.²⁹ (He did not say exactly what construction projects this loan would cover; it was after the committee reported that he refused to authorize the building of a regional transmitter in the prairie provinces.)

The committee learned from Murray that the CBC spent about a million dollars a year on programs compared to the ten million dollars a year spent by NBC on sustaining programs. (Previously, Howe had told the House of Commons that the cost of producing the Charlie McCarthy program was more than the CBC could spend on its fifty-seven hours of sustaining programs.)³⁰ Murray also told the committee that the staff of the CBC had grown from 135 members in 1936 to 337 in 1938, and that salaries amounted to \$570,000. The BBC had a staff of 3600, with salaries totalling \$4,400,000.

The principal disagreement within the committee was over two motions introduced by Earl Lawson. Early in the proceedings he asked for a copy of all minutes of the board of governors. When Howe objected, Lawson protested that the committee chairman was referring to the

29 / *Ibid.*, p. 132. The committee in 1936 had not made a recommendation about the payment for the interference prevention service. Howe himself explained to the Commons on June 19, 1936, "I think there is much to be said for making the control of interference a function of the Department of Marine ... at the general expense."

30 / *Debates*, Feb. 8, 1938, p. 248.

minister "for directions." A Liberal member, J. G. Turgeon, expressed the attitude of the majority: "If I wished to destroy that which parliament has set up, if I wished to make it impossible for government ownership and government control of radio operations to continue, I would ask ... and press for the production before a parliamentary committee of all the minutes of the meetings held by the board of governors. If we did that ... before one session of parliament was completed, we would have the destruction not only of the corporation, but we would have the resignation of the board of governors, without question." Howe added that he, as minister of transport, had no right "to direct this Corporation to do anything. ... I think there is a sound principle behind it, that is, that parliament cannot run a competitive business successfully." The business competitors of any public enterprise had too great an advantage if every internal transaction became a matter of general information.³¹ Lawson found no support for his motion from members outside his own party.

Toward the end of the committee hearings, Lawson tried to have an invitation to attend sent to a representative of the Canadian Association of Broadcasters. The committee chairman maintained that it was the job of members to inquire into the policy and operation of the CBC, and that they could not go outside their order of reference. Lawson retorted: "Will the public of this country regard the procedure of this committee as other than a pure whitewashing expedition if this committee refuses to give opportunity to anybody to be heard here except officials of the C.B.C.! ... This committee is not in a position to judge whether the expenditure proposed by the C.B.C. for the development of radio, and ... therefore the necessary increase in licence fee, is justified or otherwise, when we have had the opportunity of hearing one side of the case." The motion again won only Conservative support, and Lawson declared that he would not take part in any meetings held to draft the report. Nevertheless, he refused to allow a Liberal member to categorize him as one opposed to the whole principle of nationalization of radio.³²

Another Conservative from Ontario, A. M. Edwards, was named member of the sub-committee formed to draft the report, as were Woodsworth and two Liberal members, in addition to the committee chairman. Edwards explained his position:

As seconder of Mr. Lawson's motion yesterday, I just want to say, first, that I think this committee are unanimously of the opinion that Mr. Brockington's

31 / *1938 Proceedings*, pp. 17 and 22.

32 / *Ibid.*, pp. 153–61 and 186–9. According to the note Pickering made in the prime minister's office on March 22, Beaubien believed that Lawson was "representing private interests" in requesting certain information; Plaunt Papers, box 13.

survey of the policy of the Board of Governors of the CBC was an excellent one, and I also want to say with respect to Major Murray that I appreciate very much the frankness and the clearness with which he has given replies to all the questions that have been asked him about the CBC. ... I feel it is unfortunate that this committee have so narrowly interpreted the reference that was given to us. ... I am all for the CBC, and I think they have done splendid work and have given splendid evidence here; but I do think that the other side of the picture should have been presented to this committee.

Woodsworth said that it was impossible to take the position that the CBC was "only one company among many companies, [that] we should investigate it on an equal basis." Johnston said that he was "one hundred per cent for national control of radio," but he was against excluding any concern that wanted to give evidence. Beaubien replied that no organization had made such a request to the chairman.³³

The American entertainment weekly, *Variety*, did not wait for the committee's report to declare (April 13), "CBC has apparently won an easy victory over the private stations. Further strength has been given the position of the CBC in recent weeks through the lessening and almost complete cessation of newspaper attacks, due in large measure to the discovery by executives of the Canadian Newspaper Association that loss of revenue to radio through use of the CBC network by national advertisers would be inconsequential. ... From the viewpoint of radio listeners the CBC has strongly established its case of providing more abundant, more diversified, and more complete radio entertainment than possible for private interests in this country to furnish."

The report of the committee, said to be unanimous, was made to the House on May 20, and was not debated.³⁴ The committee was "impressed by the ability and frankness of the principal witnesses." It had received all the information required, some of it being made available privately. It approved of the corporation's policies, and believed they were being executed in a business-like fashion. It gave support to the CBC's plan for national coverage and ownership of high-power stations, and urged the establishment of a short-wave station of high power. It approved the present constitution of the corporation, and was gratified that CBC activities had been free of any sign of partisanship. The governors were congratulated on the way they had carried out the trust imposed upon them by Parliament.

Newspapers generally did not comment on the report. The *Toronto Telegram* did not even carry a story on it. The *Financial Post* (June 4)

33 / *1938 Proceedings*, pp. 187–91.

34 / *Debates*, May 20, 1938, p. 3073. Although Beaubien presented a "unanimous" report, the next year Earl Lawson reiterated that he had been opposed to it; *1939 Proceedings*, p. 33.

found it lacking in that there was no mention of the threat of Americanization of the air through the sale of large blocks of time to American programs, and in that there was no mention of a proper distribution of time between sustaining and commercial programs. The *Post* concluded: "Had the C.B.C. been as active in publicizing its many good deeds as in trying to defend its few mistaken policies, it would have little need of laudatory committee reports to justify itself in the public estimation."

5 *The Private Stations*

During 1938 and 1939, most private stations were enjoying increased prosperity. The number of households with radios was growing steadily, and advertisers were making greater use of the broadcasting medium. But the number of new stations was carefully controlled by the CBC, as it had been by the Radio Commission, and power increases were strictly limited. Table IV below shows the number of private stations in three different years, and their total power, in comparison with stations owned or leased by the CBC:³⁵

TABLE IV

	November 1936	March 1938	June 1939
Number of private stations*	67	72	78
Power in watts (approx.)	64,300	69,200	74,000
Number of CBC stations	8	8	10
Power in watts	14,200	112,200	212,200

*Included among the private stations are two stations owned by the Manitoba Telephones System (CKY and CKX), which operated as commercial stations.

Five commercial stations accounted for more than 60 per cent of all such stations' total power: CKY Winnipeg, 15,000 watts; CFCN Calgary, 10,000 watts; CFRB Toronto, 10,000 watts; CKLW Windsor, 5000 watts; and CKAC Montreal, 5000 watts. No other private station had a power in excess of 1000 watts. Most cities had but one private station. Several of

35 / Sources: *1938 Proceedings*, pp. 5-6, statement of Brockington; *1939 Proceedings*, p. 161, statement of Murray; Canadian Association of Broadcasters, *List of Privately Owned Broadcasting Stations in Canada, 1922-1960*.

the larger cities had two: Toronto, Winnipeg, Quebec, Hamilton, and Edmonton (which had a third, non-commercial station operated by the University of Alberta). Two cities had three private stations: Calgary, and Montreal (which had two French stations and one English). Vancouver was alone in having as many as five private stations. Four of them were crowded into two frequencies, and had to broadcast part-time. In 1939 the CBC Board of Governors undertook to reduce the number of Vancouver stations. Their efforts were complicated by the fact that the *Vancouver Province* and the *Sun* each had an interest in a station, and neither was willing to withdraw from the field unless its rival would do so.³⁶ But by the end of the year only three private stations in Vancouver were operating.

Defence of the private stations' interests was undertaken principally by the two most profitable stations operating in the largest metropolitan areas, CFRB in Toronto and CKAC in Montreal. Harry Sedgwick, the managing director of CFRB, had been president of the Canadian Association of Broadcasters since 1935; before that the president had also been from CFRB. This station, with a power of 10,000 watts and an excellent frequency, could be heard in most of Ontario. Periodically it made an attempt to increase its power, but neither the commission nor the CBC granted its request. CFRB was known to be a very profitable station, but its financial position was not made public, and the CBC had no power to ask stations for a financial statement. The CBC's commercial manager estimated that CFRB would show "not less than \$75,000 net profits."³⁷

In French Canada CKAC had a similarly dominant position up to 1939. Until the CBC opened its Quebec regional transmitter, its station CRQM operated only after five o'clock in the afternoon; this station had a less desirable frequency than CKAC, and it had to carry both French and English programs. Its audience therefore did not compare with that of CKAC. When the 50,000-watt transmitter was opened just outside Montreal (CBF), it was able to carry French programs almost entirely, and its broadcasts started at noon. The older transmitter (CBM) was then used to broadcast English-network programs. But in all the years when CKAC's primacy was undisputed, that station produced French programs heard also over a number of smaller stations in the region, and consequently its influence was very great.

The CBC, and particularly Gladstone Murray, made an effort to develop harmonious relations with the private stations, partly for the

36 / Gen. Odium, the member of the board of governors from Vancouver, undertook the negotiations between stations. He reported the results to the meeting of the board held on July 5, 1939. Plaunt Papers, box 16.

37 / Plaunt Papers, box 9, Weir to Plaunt, April 10, 1940.

reason that many of them were needed to distribute the national program service. Those which the CRBC recognized as "basic" stations had received an important part of their income from the commission, which paid each station an annual amount for the time devoted to carrying their programs. The owner of one of the Vancouver stations (not affiliated with the network) estimated that the program costs of three Alberta stations managed by a single company were met almost entirely from funds the station received from the CBC; he said that one of these stations (CJCA, Edmonton) was among "the most profitable stations in Western Canada."³⁸

The total amount paid by the CRBC to private stations in 1935-6 was \$230,000. By March 1938 the CBC had reduced these direct payments to \$110,000, and in the last nine months of 1938 only \$12,000 was paid out in this way.³⁹ For all practical purposes the subsidies were ended by 1939.

The disappearance of the subsidies was more than balanced by the payments to private stations for their share of the CBC network's commercial revenue. In 1938-9 the private affiliates received \$288,000; in 1939-40, \$499,000; and after that the total continued to increase.⁴⁰

The integration of some private stations into the CBC network complicated the representations which were made on behalf of private enterprise in broadcasting. Some of the smaller affiliates in the less populous districts knew that on straight economic grounds national advertisers were unlikely to buy time on those stations for their sponsored network programs. The CBC used persuasion and a rate structure incorporating regional discounts to induce advertisers to buy the entire network, and this arrangement benefited the smaller operators. On the other hand, stations like CFRB and CKAC were not affiliated with the CBC network at all, and they would have been happy to restrict the role of the CBC to broadcast regulation.

The CBC recognized the Canadian Association of Broadcasters as spokesman for the private stations, and in the third meeting of the governors the proposed regulations were discussed with Mr. Sedgwick, the president of the CAB. A few months later, a delegation from the CAB was received for further discussions of the regulations, and broadcasting policies generally. The private stations urged that the limitations on their power be removed, and that the restrictions on advertising be softened.

38 / *Ibid.*, box 16, undated memorandum prepared by G. C. Chandler of station CJOR (1938 or 1939).

39 / *1939 Proceedings*, p. 15.

40 / *1942 Proceedings*, p. 329.

Some concessions were made on this last point, but the stations were disappointed when they learned that no station with a power in excess of 1000 watts would receive an increase. But they made little public protest.

When the *Financial Post* and other newspapers began their campaign against the CBC's acceptance of American commercial programs, some of the private-station operators jumped into the fray. One anonymous owner wrote that the stations were fearful that their licences might be cancelled for a breach of some regulation that the CBC itself had devised, and that they therefore depended on the newspapers as a "watch-dog for British justice and fair play." The *Post* reported that this attitude was found mainly among those stations that were not part of the CBC's network development.⁴¹

Despite its being aware of the newspapers' campaign against the CBC, the CAB did not formally request an appearance before the Radio Committee in 1938, doubtful, perhaps, whether such a request would be granted.

Brockington complained to the committee in 1938 that some of the most important sustaining programs were not taken by the private affiliates, and he used that fact to bolster his contention that the CBC must have its own high-powered stations in all regions.⁴² During the committee hearings, several members of parliament expressed concern that the private stations might suffer from the growth in the corporation's activities. Mr. Johnston, the Social Credit member from Bow River, wanted assurance that the 10,000-watt station in Calgary, CFCN, would not lose its channel. (CFCN was the station which carried Premier Aberhart's Sunday services, and in which his church was rumoured to have invested some money.) Johnston asked whether it was fair for the CBC to increase the power of its stations, and deny increases to private stations with which it was competing. Brockington outlined the policy and procedures for considering station applications, and said frankly that it was the board's policy that "in the end ... the complete control of high power operations shall be vested in the state."⁴³ Two Liberal members from the Maritimes were afraid that small private stations would suffer loss of audience and advertising revenue after the CBC's regional transmitters had been established. A Liberal from northern Ontario suggested that the small radio stations were essential in the community life of the districts they served. Murray was sure there was no contradiction, seeing

41 / *Financial Post*, Jan. 22, 1938.

42 / *1938 Proceedings*, pp. 8–9.

43 / *Ibid.*, pp. 54–55.

a need for “a kind of permanent partnership between public service stations and the community stations.” Sam Factor, the Liberal member for Toronto-Spadina, noted the concern being expressed by members for private stations and asked whether it was their objective to perpetuate them. He understood the policy of Parliament the last nine years was that radio should become a publicly owned system. Brockington agreed this was so, but added: “May I say the proximity of the United States and the desire of our own people for variety probably make it undesirable in the national interest to have a complete monopoly of broadcasting in the hands of the state. It will no doubt be inevitable that small local stations shall be left to function in the local field.”⁴⁴ The committee’s report accurately reflected the tenor of the discussions in approving the corporation’s plan for the ownership of high-powered stations, yet recognizing that private stations “will continue to serve a useful local purpose.”

The private station’s local function was variously interpreted by writers of the period. An article in *Canadian Business* (March 1938) reported that “permission has been consistently refused the private stations to form private networks or even to build high-powered stations. CBC ... is not likely to come a cropper at any early date because of the opposition of the private ownership people.” The author objected to the system by which the CBC competed with private stations and at the same time controlled the standards under which they operated. He admitted that the Canadian system had many achievements to its credit, but recommended substituting the system developed in Australia: two quite separate groups of stations, a commercial network and a “cultural network,” the latter to be financed by an adequate licence fee and operated by the CBC.⁴⁵

The story continued to circulate that private stations would be eliminated, a rumour which Gladstone Murray attempted to counter in one of his broadcasts:

What will be the fate of the privately owned stations, many of which have been real pioneers in radio? Indeed, it has been suggested to me that the CBC is inspired by a ruthless determination to extinguish these stations ... Private radio stations that are doing good jobs in their communities – and there are lots of them – are an important part of the pattern of Canadian broadcasting. They reflect and encourage local interests in a way impossible for CBC stations. Moreover they provide, or should provide, alternative programs, and the valuable stimulus of competition.

44 / *Ibid.*, pp. 137–8, 145–6, 56.

45 / H. H. Stallworthy, “What Price Radio?” *Canadian Business*, March 1939, pp. 154–5.

Referring to program series to which private stations would be invited to contribute, he said: "These are merely instances taken at random of the growth of co-operation between the CBC and private stations."⁴⁶

An increasingly important question was that of temporary commercial hook-ups. These were requested chiefly in the more densely populated areas of Ontario and Quebec. The CBC was conscious of two paragraphs in the Broadcasting Act which forbade private stations to operate as part of a network without CBC permission and which laid upon the CBC the responsibility for regulating and controlling the establishment of chains or networks.⁴⁷ There was always the possibility that private stations would assume that temporary arrangements could and should be made permanent: in other words, realize a goal which was beginning to look more feasible, that of operating a completely private network.

In the autumn of 1938 CBC management noticed that requests for temporary commercial hook-ups were becoming more numerous, particularly in Quebec. Indeed, a hook-up of CKAC and other private stations was advertising itself as "The Quebec Network." The situation was brought to the attention of the board, and discussed in three meetings. The practice had been to grant requests for hook-ups to accommodate series lasting thirteen weeks; but at the end of that time the private stations or the agencies representing sponsors often requested extensions, and these came to be expected. In December 1938 the CBC governors authorized the general manager to refuse any further extensions of auxiliary networks until the board could review the facts and formulate a policy.⁴⁸

About the same time, the private stations through their organization, the Canadian Association of Broadcasters, decided to press formally for permission to form a second network. And in Montreal, *La Patrie* and *La Presse* (owners of radio stations) announced formation of an "Association des postes privés de la province de Québec." *La Presse* spoke of the strange situation by which the CBC could paralyze the functioning of rival stations, and deprive listeners of the programs of their choice. The private stations were therefore assuming the role of protecting the "intérêts supérieurs de la nation canadienne." The newspaper advocated that the CBC's powers be removed from it and given to a regulatory board in which the private stations should have their representatives.⁴⁹

46 / CBC network broadcast from Halifax, Aug. 17, 1938. Text on file in CBC Library, Toronto.

47 / Canadian Broadcasting Act, 1936, Sections 21 and 22 (1) (a).

48 / 1939 *Proceedings*, p. 30, testimony of Brockington.

49 / Quoted in *Le Devoir*, Feb. 4, 1939. The article was headed: "CKAC, pionnier de la radio, n'a pas le droit de polluer l'air."

One of the first requests for a new temporary network was by George McCullagh, the publisher of the *Toronto Globe and Mail*, who, on behalf of his newspaper, wanted to put forward his views in a series of broadcasts on the need for national leadership. The CBC refused his request, and the resulting political storm led to the appointment of another parliamentary committee early in 1939.

Meanwhile, the Canadian Association of Broadcasters had requested a meeting with the CBC Board of Governors, and this took place in Montreal on March 20–1, 1939. A large delegation of private broadcasters was in attendance, and their case was presented by two counsel, Aimé Geoffrion of Montreal and Joseph Sedgwick of Toronto. They were supported by the Association of Canadian Advertisers and the Canadian Association of Advertising Agencies. The *Montreal Gazette* reported that the CAB requested the right to form a coast-to-coast radio network, independent of the CBC, and that it be permitted to hook up with one or two of the United States networks, “after the CBC had its choice of the first two.” As a future development, it was contemplated that the privately owned system would on a co-operative basis inaugurate its own sustaining programs. The CAB also pressed for the authorization of increased power, for permission to use electrical transcriptions in the evening hours, and for permission to mention prices of goods advertised.⁵⁰

The Association of Quebec Stations in a separate submission argued that the CBC had more business than it could handle in the province of Quebec, and that private stations, because of their lack of lines, had to turn advertisers away. They wanted permission to form hook-ups as the occasion arose.

The CBC governors turned down the request for a second network, but indicated that requests for temporary hook-ups would be approved so long as they accorded with the network policy outlined to the Parliamentary Committee, which was then in session. Brockington made a statement to the press that “the policy of the corporation ... is to permit the formation of temporary auxiliary hook-ups subject to its control and direction, and consequently to remove the temporary restriction effective during the last few months.”⁵¹

This concession was apparently as much as the CAB thought it could gain at that time, for it withdrew its request to put its case before the

50 / *Gazette*, March 22, 1939. Presumably it was thought that the CBC would continue its association with NBC in the Toronto and Montreal areas; and the private network would in effect be an extension of CBS, with which CFRB and CKAC were already affiliated.

51 / *Globe and Mail*, March 23, 1939.

Parliamentary Committee. The president, Harry Sedgwick, wrote to the chairman of the committee: "We believe that we have laid the basis for a solution of those things that have troubled us. We have been assured by the chairman of the board that our right to continue is recognized as being inherent in Canadian broadcasting, and we have been assured that whatever seems reasonably necessary to enable us to complement the service being given by the corporation and to improve and extend our facilities in the interest of the listening public will be granted to us."⁵² Murray summarized the results of the meeting in Montreal as the CBC understood them. CBC control of all network and hook-up operations was accepted. Auxiliary hook-ups would operate, but the profit motive was not to be the dominant consideration. The regulations forbidding mention of prices in radio advertising and restricting the use of transcriptions were retained, but the second of these would be reviewed again. Fascimile and television were reserved to the public domain.⁵³

Earlier in the hearings of the 1939 Parliamentary Committee, Brockington took a tougher line, and even suggested that the profits of private stations should be limited by law. The owner of a private station occupied the public domain, and should be as much a trustee for all classes of listeners as was the CBC. Broadcasting, as a public utility, should be highly regulated, and profits should be limited, with surplus profits being used to improve the public service. Brockington added:

I have reason to believe that there are men coming before this committee who are at present making a tremendous return on any capital used ... men who are coming to make demands and to launch attacks on the Canadian Broadcasting Corporation in an effort to increase their profits. I am going to suggest for the consideration of this committee some legislation to be passed in the future whereby the profits of holders of a franchise being part of the public domain should be limited rather than increased.⁵⁴

Brockington did not reiterate this suggestion in subsequent testimony, nor was he asked about it. Although the committee gave Brockington and Murray a sympathetic hearing, and were impressed by their evidence, the parliamentarians did not join in any criticism of private stations. Paul Martin told Brockington that in his area opposition to the licence fee came from "humble folk."

The committee's report contained two sentences about the CBC's position in relation to private stations: it reaffirmed its "controlling and co-ordinating" function and it expressed gratification with the better

52 / *1939 Proceedings*, p. 226.

53 / *Ibid.*, p. 31.

54 / *Ibid.*, p. 111.

understanding recently attained between the CBC and private stations. After the committee had reported, the CBC announced that it would exercise firmer control over arrangements for subsidiary networks. In future the CBC would itself make all the necessary arrangements, such as dealing with sponsors and agencies concerned with the subsidiary hook-ups, quoting rates, and so on. "The change does not involve the taking over of private stations or interference in their operation. ... It is largely one of administrative procedure."⁵⁵ The new statement had been approved at a meeting of the board, at which the move had been discussed with Harry Sedgwick and Joseph Sedgwick of the CAB, who expressed general agreement.⁵⁶ Nevertheless, the Toronto *Telegram* and the *Globe and Mail* saw in the announcement new evidences of dictatorship.⁵⁷

The CBC also reminded the Canadian affiliates of American networks that it had jurisdiction over American programs broadcast in Canada. After discussing his draft statement with Plaunt and Brockington, the general manager wrote each of these stations that in future they would need to get CBC permission two weeks in advance for programs they proposed to take from United States networks. Probably this new procedure made little difference to the way in which CFRB and other stations released American network programs, at least until the outbreak of war; but it was perhaps the first time that the terms of their American network affiliations had ever been questioned or reviewed by any public authority since they were first arranged in 1929. The writer for *Canadian Business* (H. H. Stallworthy in the issue of March 1939) was possibly correct when he wrote: "CBC is now in the saddle."

The war froze relationships for some time, but when the struggle resumed between public and private broadcasters, some of the conditions had changed. Not least of these was the withdrawal of Brockington and Plaunt from the helm of broadcasting policy.

6 *Radio Service for French Canada*

Most policies could be formulated for the system as a whole. But there were some special problems arising out of the two languages and cultures that complicated the task of building a national system. These required special measures and a degree of accommodation on both sides, particularly if broadcasting was to be used as a means of promoting national

⁵⁵ / *Evening Telegram*, July 10, 1939.

⁵⁶ / Plaunt Papers, box 16, Minutes of Meeting of CBC Board of Governors, July 5-7, 1939.

⁵⁷ / *Globe and Mail*, "So It Has Happened Here," July 21; *Evening Telegram*, July 22, 1939.

unity and understanding between ethnic groups. This objective, present from the beginning, was fully shared by Brockington, Plaunt, and the other CBC governors, and in his first broadcast to the nation, Brockington had stated it clearly (see above, p. 199).

But real problems had to be faced in serving the two language groups adequately, in applying common policies and standards, and in allowing each language group to share in the experience of the other. Old suspicions and prejudices died hard. A program service for English-speaking Canadians was bound to reflect continental interests and tastes, and to have in it a number of programs originated by the American networks. The program service in French would depend much more on the French-speaking people's own resources, especially on those of the people living in Quebec. It is therefore easy to understand why a national spirit was much more evident in French programs than in English, and why the creation of a French network was a stimulus to the nationalism which already existed in Quebec. With this uneven rate of development, and with the lack of interest of one language group in hearing what the other was doing, we should not be surprised that radio did not become the "healing and reconciling force" that Brockington hoped for. On the other hand, if broadcasting had been directed by an organization under provincial control or jurisdiction, there is little doubt that differences would have been intensified.

In the first fifteen years of broadcasting, Quebec had been poorly served. Coverage within the province was entirely inadequate, and much of the time programs in the French language were not available. The commission had improved the situation by constructing stations in Montreal, Quebec, and Chicoutimi, but the hours of service were still limited. Indeed, during the first year of the corporation's existence a complete program service for French-speaking listeners was still not possible, because of inadequate station facilities, insufficient personnel, and insufficient funds. The single station in Montreal carried both French and English features, and programs that originated to the full network from Montreal were announced in two languages. The result was that there were still some rumblings among listeners who thought that not a word of French should be heard outside the province of Quebec, although feeling was not as intense as it had been in the days of the Radio Commission. But it was there. A weekly in Stouffville, Ontario, wrote: "So far as this paper goes, we much prefer U.S. programmes, rotten as many of them are, to the bilingual broadcasts of CBC, which seems dedicated to giving Canada a bilingual tongue."⁵⁸ This

58 / *Stouffville Tribune*, quoted in *Financial Post*, Feb. 12, 1938.

theme was also a favourite of the Toronto *Telegram*: "There is more French than ever on programmes in regions where there is no excuse for it other than the belief once expressed by Mr. Murray that the corporation had a mission to make Canada bilingual from coast to coast."⁵⁹

The *Telegram* was referring to a speech made by Gladstone Murray to the Montreal Canadian Club in March 1937. In his speech, Murray admitted that there was a difficult language problem in Canada, but expressed belief that it was one of the most important jobs of broadcasting to introduce a new era of understanding between Canadians who speak French and Canadians who speak English: "Broadcasting can help to make the whole of Canada bilingual, to make available to the Canadian citizen of the future the culture, literature and thought of both parent languages. This is not a vague aspiration, it reflects a definite and carefully considered policy. ... Broadcasting will work through entertainment, through the schools, through talks, through all agencies of adult education, to encourage a better mutual understanding, and to spread a desire among all Canadians to speak the two parent languages."⁶⁰

The Montreal *Gazette* entirely approved of Murray's speech, which affirmed a number of other objectives as well: the provision of good entertainment, the avoidance of propaganda, the encouraging of free thought and discussion.⁶¹ But in Parliament, the Conservative member for Toronto-Broadview, T. L. Church, supported by R. B. Bennett, demanded to know whether the statement had been authorized by the government. When Mackenzie King said that it was the corporation's own statement, Bennett said that if this statement of Murray's was not authorized, "he certainly should be dismissed at once."⁶² *Le Devoir* protested: "Where is the crime? Where the wrong-doing? Where even the indiscretion? ... Would not he [Mr. King] have been more courageous ... to say to Mr. Bennett, 'I do not have to authorize Mr. Murray to talk good sense.' Indeed, what Mr. Murray said makes very good sense."⁶³ The *Ottawa Journal* supported Murray's statement, but thought he should stop making speeches:

Major Murray's Montreal address ... was an innocent performance and did not justify the harsh things that have been said about it because of an unfortunately worded phrase. He did not mean that the Radio Corporation proposed to embark on the impossible task of making Canada bilingual, did not suggest that the funds of the Corporation should be used to spread the

59 / Quoted in *Financial Post*, Feb. 5, 1938.

60 / *Evening Telegram*, April 7, 1937.

61 / *Gazette*, March 23, 1937.

62 / *Debates*, April 2, 1937, pp. 2470-71.

63 / *Le Devoir*, April 5, 1937.

French language in this country. ... Mr. Brockington, the able unpaid head of the Corporation, has himself urged that the work of the C.B.C. should be distinctively Canadian and how could it be that without a reasonable recognition of the important French section of our population and their language.

Mr. Murray might well now consider withdrawal from the public platform. He has already done more than should be expected of him and has suffered from the misinterpretation that public speakers are inevitably subject to. He should be left alone to carry out the big job with which he has been entrusted.⁶⁴

(In other words, "I agree with what you say, but I'll fight to the death to remove the opportunity for you to say it.")

Meanwhile, plans were going ahead to improve the service to French-speaking Canadians. This work was under the direction of Dr. Augustin Frigon, the assistant general manager, who after his appointment remained in Montreal rather than moving to Ottawa. He took special responsibility for the operation of the French network and for CBC engineering policy. A few months later the engineering staff was moved from Ottawa to Montreal, and program headquarters to Toronto, leaving in Ottawa only administrative headquarters, under the general manager.

The biggest single step in improving coverage for French programs was taken with the opening of CBF, the 50,000-watt station near Montreal, in December 1937. After this, the full English network schedule could be released over the old 5000-watt transmitter, re-christened CBM. Both stations extended their daily schedule into the daytime, improving their chances of gaining audience loyalty. CBF was the key station of the French Network, linking up with four other stations: CBV, Quebec, CBJ, Chicoutimi, and two private stations at Rimouski and New Carlisle. There were also three "supplementary" stations, Hull, Sherbrooke, and Rouyn, which could be added to the network, but were not committed to reserve certain periods for CBC programs. A few French programs were carried by the CBC's regional stations in the Maritimes and in Saskatchewan, but the French-speaking minorities in those areas still felt cut off. In 1940, as an experiment, the CBC began transmitting French Network programs to western Canada by shortwave.

After 1938 the French Network had more autonomy than ever before because its programs did not have to be co-ordinated with an English program schedule. With the more complete separation of the two networks, English-speaking Canadians were less conscious of the corporation's activities in French broadcasting, and complaints about hearing the French language dwindled. Occasionally suspicions were voiced that there were too many broadcasters in Montreal (some of them appearing

64 / *Ottawa Journal*, April 6, 1937.

in religious programs) who were pro-Fascist or sympathetic to the Spanish rebels, but this charge was not made formally in Parliament until the committee on broadcasting met in 1942.

If English-Canadians were not aware of program developments in Montreal, it was their loss. For a high standard was being achieved, particularly in musical programs. But in other fields as well French Canada was creating its own distinctive programs; one could almost say it was creating its own broadcasting system. This was pointed out by the critic for the *Montreal Gazette*, Thomas Archer, on January 20, 1939:

Actually, the programs are relayed by two networks, one of which is operated by the CBC and the other by an association of private stations headed by CKAC in Montreal. ... It is no importation. The influence of France is negligible. ... These Canadians have developed a radio which is superior to anything France has to offer. ...

French-Canadian radio has developed its own stars, its own actors, singers, producers and script-writers. It is like a miniature NBC of French Canada. ... Fridolin, Fred Barry, Robert Choquette, and Henri Letondal mean more in French Canada than some of the stars of the American networks.

Archer praised particularly the variety program "Train de Plaisir," starring Gratien Gélinas as "Fridolin" (heard over CKAC and associated stations) and the CBC programs "Les Belles Histoires du Pays-en-Haut" and Robert Choquette's "La Pension Velder." He noted the high quality of music programs on the French Network and discussed the daily serials based on life in the province of Quebec that had been developed by CKAC and the CBC.

We should not conclude that the French Network was overwhelmingly preoccupied with provincial concerns or with French-Canadian nationalism. On the contrary it reflected the life of Canada as a whole more completely than did the French television service a generation later. This was partly due to the temper of the times but also to the greater mobility of radio, and to the still-modest size of the CBC organization in 1939 which facilitated national co-ordination. But the possibility of each network's going its separate way was soon recognized. In 1942 the Parliamentary Committee on broadcasting recommended a closer integration of program planning between the French and English networks.⁶⁵ Even before this, in 1939, Alan Plaunt and J. C. Thompson (a management consultant with the firm of Clarkson, Gordon) had investigated CBC organization and administration on behalf of the board of governors; they advised that all national headquarters departments be centralized in Montreal, and that only the legal headquarters be kept in Ottawa. One

65 / 1942 *Proceedings*, p. 1093.

of the reasons for this recommendation was to achieve more effective co-ordination between the two networks. The war intervened before the report was considered, and action was never taken to implement this recommendation.⁶⁶ The problem of building a broadcasting service that would meet the needs of each language group and yet contribute to national unity was still far from solved.

66 / *Ibid.*, p. 504. The suggestion that the headquarters of the national broadcasting system should be in Montreal or Toronto rather than in Ottawa has been made several times. It was contemplated by the draft act prepared in 1930; in 1933 Gladstone Murray suggested that the moving of the head office from Ottawa be considered; and in 1965 the Fowler Committee on Broadcasting recommended that the cbc's head office be in Montreal.

10 CONTROVERSIAL BROADCASTING

TWO INTERRELATED ISSUES were crucial for the broadcasting system and the corporation's place in it: what opportunities the network should provide for controversial broadcasting, and what policy should govern freedom of speech on the air. The corporation had to develop and define its role both as producer of programs and as regulatory board; it was in political and controversial programs that the CBC found its greatest opportunity and its principal challenge.

As a producer of programs, the CBC was intended to give expression to the thoughts, experiences, and artistic achievements of Canadians. This responsibility, it was generally agreed, had not been discharged adequately by the radio system that had grown up in the 1920's. From those early years and continuing into the 1930's, the Canadian air was flooded with programs expressing American experience, American ways of looking at themselves and the world, American popular culture and light entertainment. In English Canada at least, whatever Canadians produced as light entertainment would never be able to compete on equal terms with the American product. Living next door to the United States, the Canadian people, with no effort and at no cost to themselves, had a chance to share in the entertainment which Americans produced so lavishly; and on the whole, Canadians liked what they heard. But this did not mean that they would give up the struggle for their own identity; they still wanted a broadcasting system that would allow them their own modes of expression, their own means of talking to one another, their own ways of discussing public affairs – with a Canadian accent.

During the 1930's private radio in Canada, as on the rest of the continent, became increasingly commercial; hence the usual tests were applied. There was now less chance on the average station for the free expression of opinion – certainly for the expression of minority opinion, or for the discussion of subjects with little popular appeal. A successful station was one that had the largest audience during each hour of the day, and most particularly at times when the potential was greatest – for

example, during the evening hours and at meal times. These were the periods that attracted advertisers, and advertisers were interested in reaching the largest possible number of listeners for each advertising dollar. In order to attract advertisers, stations tended to bury at obscure times programs that did not have assured mass appeal, or banish them altogether. Even the station's unsponsored programs, it was felt, must contribute to the image of the "most-listened-to" station in its area.

Political parties or other associations with a message could of course buy time, although the stations often regarded such programs as audience-killers, rendering the adjacent periods unattractive to the station's more regular advertisers. In the 1930's, the programs that were most prized were United States productions; they had proven audience appeal, and the additional advantage of costing the station nothing or next to nothing. This was true of programs that came to the station as "live" network offerings or as transcriptions.

It was not that the private station owners were unpatriotic or uninterested in public affairs. They were personally as likely to be interested in Canadian life and development as the next man, and generally speaking they were aware of their public service responsibilities. But the economic facts were against programming on serious subjects, and particularly against productions of Canadian origin. The public service responsibilities of the station tended to be translated more often into support for local community endeavour, such as the provision of spot announcements for good causes, or the donation of publicity to local organizations. This left the public networks with a special responsibility. When the CBC was created, with a board acting as a "buffer" between the public and Parliament, between the general manager and the government, the opportunity was provided to show that it could produce programs on important and topical issues, and face up to opposition from whatever quarter.

When Gladstone Murray took charge of operations, there were few guidelines and no models outside Canada that were entirely appropriate. The BBC in some ways served as an example, and of course its operation was very familiar to Gladstone Murray. The BBC had won the right to schedule controversial broadcasts in 1929; although not all broadcasts were expected to be impartial, the BBC was asked to be strictly impartial in admitting speakers to the microphone. During the early 1930's the BBC made a good beginning in its handling of controversy on the air, but many critics charged that it was too timid. Asa Briggs concludes that such deficiencies as were there resulted not from the BBC's unwillingness to sponsor controversy, but "in the first instance from the domestic

political party system.”¹ At one period the parties exercised direct influence on the choice of political speakers in non-party broadcasts through an inter-party consultative committee; even after that arrangement lapsed, the parties continued to exercise a strong influence. In 1933 Winston Churchill, Lloyd George, Austen Chamberlain, and Philip Snowden all complained of discrimination against members of parliament not nominated by the party leaders or party whips to take part in programs. Churchill was seldom heard on radio during the 1930’s, despite his eminence and outstanding ability as a speaker. In the development of non-party broadcasts, the BBC had a better record. Vernon Bartlett, Raymond Gram Swing, Alistair Cooke, and J. B. Priestley were introduced to the British public as commentators on current affairs, and each of them gained a lasting reputation. Debates were arranged around many controversial questions, with well-known speakers taking part—Bertrand Russell, G. K. Chesterton, John Strachey, Richard Crossman, and so on. But after 1936, the BBC became more cautious in its handling of political questions, particularly those with international implications. This caution was due partly to complaints from the Foreign Office, and partly to the appointment of a more conservative man as head of the talks department.²

The American networks developed the news commentary and the round-table discussion. The daily radio commentator often started out as a straight newscaster, but found that by introducing his own opinions he was more likely to make a name for himself and win a large following. The veteran news commentator was H. V. Kaltenborn, then with CBS; others were men of such varied talents as Fulton Lewis, Boake Carter, William L. Shirer, and Walter Winchell. Their commentaries were often sponsored by an advertiser; and sometimes a company deliberately introduced a speaker into its regularly scheduled programs who would promulgate views that the owners of the company held. An instance in the late 1930’s was the commentary in the “Ford Symphony Hour,” when W. J. Cameron assailed labour unions, the president of the United States, or “anyone else Mr. Ford happened not to like.”³ The first of the network round-table broadcasts was the “University of Chicago Round Table,” which, beginning in 1933, was scheduled Sunday afternoons on NBC. In 1935 the NBC’s Blue Network began “Town Meeting of the Air,” and CBS entered the lists with “People’s Platform” in 1939. “Town Meeting” won a sponsor and was given some promotion, but as a rule

1 / Asa Briggs, *The Golden Age of Wireless* (London, 1965), p. 131.

2 / *Ibid.*, pp. 148–9.

3 / Llewellyn White, *The American Radio*, p. 81.

these programs were scheduled later and later in the evenings, or on Sunday afternoons.

Before Murray and his staff turned their attention to building Canadian programs that would do a similar job to those on the American networks or on BBC, they had to decide what the limits of free discussion should be; and in particular, what restraints should be placed on speakers who wanted to engage in a holy war with those of another faith.

1 Broadcasts Offensive to Religious Groups

A generation ago Canadians took religious controversy seriously. A question concerning the broadcasting by one religious group, and its right to own stations, had led to the appointment of the Aird Commission. The first political controversy in which Charlesworth was caught up came through the commission's attempt to control broadcasts by the same sect, the Jehovah's Witnesses. It was therefore not surprising that the CBC's first controversial action should be the regulation of religious broadcasting.

In the 1920's "phantom" licences were granted to two strong-minded and opposing religious groups in Toronto. One was an association of Roman Catholics, the Radio League of St. Michael's, which broadcast under the call letters CKSM; and the other, the fundamentalist Jarvis Street Baptist Church, which broadcast under the call letters CJBC. When licences for phantom stations were discontinued, the Radio League of St. Michael's, under the direction of Father Charles Lanphier, continued to broadcast over other stations. In the 1930's their Sunday broadcasts were carried by CRCT, the CBC station in Toronto.

The Catholic programs were countered by a weekly series broadcast on CFRB by the Rev. Morris Zeidman, a Presbyterian minister who spoke as director of the Protestant Radio League. On the first Sunday afternoon in January 1937 he proposed to give a talk on the Protestant attitude toward birth control. There was as yet no specific prohibition of broadcasts on the subject of birth control, but in Ottawa a long drawn-out trial was in progress against an employee of the Parents' Information Bureau of Kitchener, who had been charged with advertising birth control information and contraceptives in violation of Article 207c of the Criminal Code. The CBC had recently reminded stations that the regulations forbade the broadcasting of defamatory statements about persons or institutions, and specifically they ruled out speeches in which attacks were made on other creeds. Because Mr. Zeidman had been

accused several times of attacking the Roman Catholic faith, the manager of CFRB, Harry Sedgwick, advised him to submit his scripts to the CBC in Ottawa. (At the same time, the Home Missions Board of the Presbyterian Church was requesting the Toronto Presbytery to restrain Mr. Zeidman in order to "curb religious controversy over the radio.")⁴ The CBC held that the talk was of a controversial nature and advised against broadcasting it.

In response to this decision the Toronto *Telegram* declared that "when a creature of the government such as the C.B.C. undertakes to rule out an address on the ground that it is controversial it is taking an impossible position." The Loyal Orange County Lodge of Ontario wrote Murray that the CBC was subjecting Mr. Zeidman to an "un-British censorship," and was showing "political partisanship and denominational favoritism."

A month later, the CBC had to rule on another script from Toronto. The Eugenics Society of Canada had arranged that its president, Dr. Hutton, medical officer of health in Brantford, speak over CFRB on Sunday afternoon, February 14. In his proposed talk, Dr. Hutton recommended that sterilization of the mentally unfit should be legalized in Ontario, with the consent of the individuals concerned.⁵ The CBC referred the script to the deputy minister of national health, and after receiving the department's advice, Murray wrote Dr. Hutton: "While eugenics in most of its aspects, especially when sponsored by a society such as yours, is acceptable material for broadcasting, it is felt that sterilization on this medium would be inappropriate."⁶ The broadcast was cancelled, and the Toronto *Telegram* of February 15 urged that Parliament "cancel censorship of radio." It believed that this and several other decisions of the CBC stemmed from the influence on it of the Roman Catholic Church.

Plaunt believed that in this latter case Murray was being too restrictive, although he thought the CFRB cancellation of Zeidman's proposed talk on birth control was justified, if somewhat hard-line:

The impression that the Toronto Telegram gave, working I think with CFRB, was that we had been responsible and that the Catholic members of the Board were behind it. The Globe and Mail also took this view. ...

Generally speaking I cannot help but feel that our regulations and conventions with regard to controversial matters should be as wide as the limits of decency permit.⁷

4 / *Evening Telegram*, Jan. 5, 1937. The events surrounding this controversy were reported in the *Telegram*, Jan. 4-11.

5 / *Ibid.*, Feb. 15, 1937.

6 / Plaunt Papers, box 7; quoted in letter from Plaunt to Brockington, Feb. 24, 1937.

7 / *Ibid.*

The question was raised in Parliament by Earl Lawson, who discussed both the Zeidman and Hutton cases. He agreed that attacks over the radio on any religious sect or creed should not be permitted. But who was to be the judge?

I realize that censorship at best is a dangerous instrument to put in the hands of any one man, but when it is put in the hands, as is alleged by the Canadian Broadcasting Corporation, of an individual manager in each individual station across Canada, one begins to have some comprehension of the complete lack of uniformity in censorship that we are going to have. ...

I urge that the board of governors of the Canadian Broadcasting Corporation take into very serious consideration the establishment of some central board of censorship, so far as possible an unbiased and non-partisan board, so that if we are to have censorship it may be reduced to a minimum and be uniform throughout Canada.⁸

In his reply, Howe said that both Mr. Zeidman and Father Lanphier had used words offensive to those of the other faith, and that in both these cases the officers of the corporation were using great care in censoring any of their broadcasts.

During his discussion of what material was suitable for broadcast, Howe advocated severe restrictions:

Obviously it is the duty of the broadcasting corporation to determine the character of the programs, and I think the first test of the suitability of a program must be whether it gives offence to any part of the population. ... The programs sent out must be suitable for children as well as adults. ... During the time I have been responsible for the conduct of the radio, all the great disputes have centred around religious broadcasts. ... On occasions of this kind there can be no doubt that offence has been given, judging by the scores and hundreds of letters that reach my office.

A few minutes later, the following exchange took place:

- HOWE We come now to the matter of sterilization and the use of contraceptives. ...
- LAWSON The speech to be delivered by Doctor Hutton in no way referred to or had reference to birth control – nothing of any kind.
- HOWE Does the hon. member think that is a proper subject to discuss before seven-year-old children? ... The greatest radio users are children between five and ten years. ...
- LAWSON ... I anticipate that the same radio control will be exercised by the parents in the homes as is exercised with respect to newspapers and other publications.
- HOWE My hon. friend is entirely mistaken as to the duties of parents in the homes. It is the duty of the radio corporation to make sure that nothing goes over the radio which is offensive to five year old children or to fifty year old members. ...

The radio corporation ... have not always succeeded in preventing controversial or even indecent matters coming out, but I believe every day they are setting up a check on programs which will have the effect of arriving more nearly at the desired result.⁹

The *Ottawa Journal* praised Howe's statement, and felt the CBC must maintain a "tight rein on religious argument." The *Winnipeg Free Press*, on the other hand, disagreed with Howe. Material for broadcast could not be tested by asking whether or not it would give offence to any section of the population. Radio must not become the protector of any vested interest, political or otherwise.¹⁰

In the autumn of 1937, the CBC passed regulations prohibiting abusive comment on any race, religion, or creed, and banned birth control as a subject inappropriate for broadcasting. A note explaining these regulations read:

It is not the intention of the Corporation to restrict freedom of speech nor the fair presentation of controversial material. On the contrary, the policy of the Corporation is to encourage the fair presentation of controversial questions. At the same time it should be realized that the message of broadcasting is received at the fireside in the relatively unguarded atmosphere of the home, reaching old and young alike. Certain subjects, while meriting discussion elsewhere in the public interest, are not necessarily suitable for this intimate medium.¹¹

Le Devoir reported (September 14, 1937) that the new regulations prohibiting programs about birth control were well received. These regulations, including those on advertising, had been discussed with representatives of the private stations, and there was no further discussion of them in Parliament until Brockington reviewed them before the Radio Committee of 1939.

Father Laphier and Mr. Zeidman continued their feud, and toward the end of 1937 both were put off the air. With authorization from the board of governors to make representations to the denominations concerned, Brockington and Murray called on the heads of all principal churches to discuss the mixing of politics in religious broadcasts, and the board's regulation prohibiting abusive comment. According to Brockington, "We received from them the greatest encouragement in the work that we have tried to do. They agreed that radio shall be used for reconciliation and healing and for the insistence on the eternal truths

9 / *Ibid.*, pp. 2659-61.

10 / *Ottawa Journal*, April 12 and *Winnipeg Free Press*, April 8, 1937.

11 / "Regulations for Broadcasting Stations, Made under the Canadian Broadcasting Act, 1936," passed at a meeting of the CBC in Toronto on September 8, 1937 (CBC pamphlet).

that unite us rather than on the transitory differences that divide us.”¹² The CBC’s conditions for reinstatement of the two broadcast series were met, and the programs resumed early in 1938.

2 The Case of George Ferguson

C. D. Howe had said that it was the corporation’s duty to ensure that no program gave offence to any part of the population. This was not Brockington’s idea, or the board’s. They supported Murray’s idea that controversy should have a prominent place in the program schedule, bringing “the clash of vivid personalities, the conflict of clear-cut opinions sincerely held,”¹³ elements which were bound to cause displeasure sooner or later in some section of the population. The CBC did not have long to wait.

In 1937 the CBC developed two types of broadcasts dealing with the current and the controversial. First there was the single speaker, reviewing events and offering opinions. Dr. H. L. Stewart of Dalhousie University, Halifax, and George Ferguson, managing editor of the *Winnipeg Free Press* were engaged as commentators reviewing the week’s developments. Usually they appeared in alternation. Then there were debates and discussions. In 1937 there was a series of debates on the Canadian constitution by members of various clubs in several cities, and on “Our Heritage of Freedom.” In this last series, for example, Premier Aberhart of Alberta made a spirited attack on the press, and a newspaper editor, W. L. MacTavish, made an equally spirited reply.

To the Parliamentary Committee of 1938, Brockington gave an exposition of the corporation’s attitude toward freedom of speech and the presentation of controversy:

We believe that censorship is undesirable and perhaps impossible beyond the limits of decency and the minor and necessary prohibitions which we have fixed in our regulations. We have always, and shall continue always, to take care in the selection of network speakers to see that they are competent to discuss public problems within recognized amenities. ... Censorship itself depends on the opinion of an individual possibly no better qualified to express an opinion than the person he censors. We believe radio speech should be allowed to be forthright, provocative and stimulating. ... We believe that national problems and international problems should be discussed by Canadian citizens without restriction or fear. It may be that some opinions, largely held, have remained unvoiced. This situation will be remedied.

12 / 1939 *Proceedings*, p. 26.

13 / G. Murray, broadcast of June 21, 1937; script in CBC Library, Toronto.

We are opposed to, and shall resist, any attempt to regiment opinion and to throttle freedom of utterance ... We are prepared, of course, to recognize that in times of war, or perhaps during the imminence of national peril from external sources, some government control might be necessary. Until that occasion arises, the Corporation having selected competent commentators and speakers does not propose to interfere with the right of free expression.

We are opposed also ... to any attempt to buy the right on our network for the advancement of personal opinion or propaganda ... The free interchange of opinion is one of the safeguards of our democracy, and we believe we should be false to our trust as custodians of part of the public domain if we did not resist external control and any attempt to place a free air under the domination of the power of wealth.¹⁴

In fact, Brockington was trying to fend off an attack that was being mounted against the broadcast commentaries of George Ferguson, not in the Radio Committee, but in the House. The members of the committee received Brockington's statement with seeming approval, and the *Ottawa Journal* declared that he was "one hundred per cent right." But Ferguson's critics were not to be satisfied with this.

The situation had arisen in this way. Toward the end of February 1938, Anthony Eden resigned from the British government, with the statement "I do not believe we can make progress in European appeasement." George Ferguson reviewed this development in his fortnightly commentary on March 6, siding with Eden against Chamberlain, and brought down on his head the wrath of the *Toronto Evening Telegram*. The broadcast was "puerile nonsense"; what was worse, "The piffle came over the air with the authority of the Canadian government. ... There is no question here of the right of free speech and it is not necessary to dwell on the obvious anti-British bias of the address."¹⁵

In the House of Commons, the Hon. C. H. Cahan asked for a copy of the text, and said that many deplored "that a radio system which is under the control of the Canadian parliament, should be freely utilized for such provocative propaganda." Prime Minister King replied:

The question ... raises the issue of how far the government would be justified in going in the way of exercising direct control over the Canadian Broadcasting Corporation. ... The functions, powers and duties of the corporation are defined by statute, and they have been so defined as to remove the corporation from anything in the nature of possible political or other pressure on the part of the administration or any member of it. In the circumstances I rather feel that the government should not on its own initiative ... lay on the table of the house any papers that may have been read or speeches that

14 / *1938 Proceedings*, pp. 10–11.

15 / *Evening Telegram*, March 8, 1938.

may have been made over the radio. It should at least first obtain the consent of the chairman of the board of the corporation so to do.¹⁶

The Toronto *Telegram* said that it was absurd for King to suggest that the consent of the CBC board was needed to produce a copy of Ferguson's talk. "Mr. King appears strangely forgetful of one of his favorite topics – the supremacy of Parliament." The *Ottawa Journal* did not agree with Ferguson's views, but answered the *Telegram's* contention that the government must be responsible for what was broadcast:

It would be most unfortunate if the idea became general that the C.B.C. is the tool of the government of the day, that the Dominion Cabinet is directly responsible for the content of any C.B.C. broadcast not so indicated. ...

The C.B.C. is a separate entity, must remain so if it is not to labor under a fatal suspicion of dictated propaganda.

After Brockington explained the corporation's policy on freedom of speech to the Parliamentary Committee, the *Telegram* concluded that he had "demonstrated his utter incapacity" to direct a publicly controlled radio system: "That a corporation, entrusted by the government with the control of radio, should itself sponsor deliberately provocative utterances on political topics is indefensible. ... The corporation is not expected to have any political opinions of its own and should not be permitted to sponsor the political views of others."¹⁷

A month later, in April, another talk by Ferguson roused resentment and criticism. The veteran Conservative from Toronto, T. L. Church, complained that such broadcasts should be stopped in the public interest and "in the interest of the British Empire." He said the British prime minister had ordered the BBC to stop similar broadcasts, and that the Canadian government should do the same.¹⁸

To this King made an astonishing reply. He found himself "very much in sympathy" with Church's remarks. The Canadian Parliament was being careful not to discuss the proceedings of other parliaments; and

16 / *Debates*, March 9, 1938, p. 1164. R. B. Bennett had apparently transmitted complaints to the corporation three months earlier regarding the broadcasts of Ferguson, Dr. H. L. Stewart, and Dr. Clem Davies. Murray wrote Howe, Jan. 16, that Bennett was satisfied with the explanation given and the action taken. (Plaut Papers)

17 / *Evening Telegram*, March 11 and 28; *Ottawa Journal*, March 10, 1938.

18 / Church wanted the government to act under Section 3 (d) of the Radio Act of 1938, which was then being discussed in the House. As for his reference to Britain, the government had not given the BBC instructions, although in 1937 Sir Robert Vansittart of the Foreign Office urged the BBC to "keep off Communism and Nazi-ism and Fascism for the next year or so." Asa Briggs, in *The Golden Age of Wireless*, pp. 146–9, writes that the BBC's caution during this period was due primarily to public opinion and its own internal conservatism.

“what applies to debates in parliament should apply equally to broadcasting under a commission which derives its authority and powers from parliament.” King said the British government had wisely taken the view that it was not proper “either in parliament or out of parliament for criticisms to be made of the internal affairs of other countries where those criticisms are likely to prove embarrassing to the government and administration of the day.” He hoped he had said enough to ensure that the CBC itself would follow a policy “similar to that which all honorable members of this house seek to follow in their discussions.”¹⁹

The *Ottawa Journal* on May 12 wrote a long and thoughtful editorial on King’s statement. The *Journal* reminded the prime minister that Ferguson had not pretended to speak for Canada, or for the government of Canada. Indeed, one week later, another speaker, Dr. H. L. Stewart, had defended Chamberlain’s position against Eden. “In the net result, what the public got was debate, discussion, and informed weighing of the factors on both sides.” If the prime minister argued that there was a difference between what was said in a newspaper and what could be said on a radio network owned by the government, then “strength is at once given to one of the strongest criticisms that can be made out against government radio: the criticism that it is subject to Government use for the Government’s own ends.” But the CBC was supposed to be independent. “What is involved is the right, firstly, of the Governors of the Canadian Broadcasting Corporation to run the Corporation without dictation from the Government, and secondly, the right of free debate and discussion.” Ferguson’s own newspaper, the *Free Press*, said on May 13 that if there was any attempt to dictate to the commentators what they should say or not say, or to ensure that no offense was given to another country, “that is a slap in the face of freedom that cannot and must not be tolerated.”

Continuing the debate in Parliament, M. J. Coldwell of the CCF protested against the prime minister’s statement, and urged him “not to attempt to muzzle” the CBC. He drew attention to the pro-Chamberlain broadcasts by Beverley Baxter that were broadcast over the CBC under private sponsorship (General Motors), and said that if Ferguson and Stewart were to be prevented from expressing their views, the CBC should also prohibit the Baxter commentaries. But for his part, he wanted to hear every view; he was surprised that a Liberal government should take an attitude that was so distinctly illiberal.

King was not in the House, but Howe, on behalf of the government, decided to beat a retreat. King had evidently been “speaking his personal

19 / *Debates*, May 10, 1938, pp. 2751–3.

opinion.” There was to be no muzzling of the CBC, and no action of that kind could be taken except in case of war or emergency. Every country in the world “has had its troubles with paid commentators.” When Howe repeated that “commentary on the news is absolutely forbidden in Great Britain,” Coldwell said dryly that he had heard British broadcasts that sounded like news commentaries.

Woodsworth would not accept Howe’s statement that the prime minister spoke as a private individual, claiming that he could not do so when he spoke in the Commons. Woodsworth also protested the “sense of inferiority” that some members had to the British Parliament and could not agree that he should not make statements regarding the internal affairs of other countries. It would be ridiculous to say that an MP should not criticize Germany or Russia, for example. Responsibility for what went on the air lay with the corporation, not with the government or the prime minister.

Joseph Thorson, a Liberal-Progressive member from Manitoba who was later to join the cabinet, agreed with Coldwell. “If there is going to be a debate in this house about every expression of opinion with which some honourable member of this house may disagree, what is going to happen to free discussion?” The broadcast commentaries represented a service that was “welcomed by thousands of people from one end of Canada to the other.”²⁰

Other members were less appreciative of the CBC news commentaries. Earl Lawson thought that speakers should pay for the right to broadcast their own opinions. Malcolm McLean, a Liberal member from Saskatchewan, protested against spending public money for political propaganda that might harm friendly relations with other countries. Cahan and H. H. Stevens thought it was dangerous to have someone paid out of the taxpayers’ money advocating views which are “distinctly at variance with and do offence to a very large number of taxpayers.” But A. A. Heaps, a CCF member from Winnipeg, said that similar commentaries were arranged over private stations in the United States; “and if private corporations can give comments on news in that country why cannot a public utility do the same thing in Canada?”²¹

The debate was inconclusive, and Brockington decided to follow it up with a personal letter to the prime minister. In it he quoted the statement he had made to the Parliamentary Committee, and asked

20 / *Ibid.*, May 11, 1938, Coldwell, pp. 2769–70; Howe, p. 2771; Thorson, pp. 2774–6.

21 / *Ibid.*, Lawson, p. 2777; Cahan, pp. 2772, 2776; McLean, p. 2780; Stevens, pp. 2780–2; Heaps, p. 2783.

whether the prime minister's speech in the House was an "official indication of possible dissent from the Corporation's actions or opinions." Brockington added that the board of governors was seized of the gravity of the international situation, and to avoid misinterpretation in future, commentaries would be prefaced in such a way that it would be clear they did not express the views of either the CBC or the government.

Replying in a four-page letter, King assured Brockington that it was the policy of the government to allow the corporation to function "free from interference in all matters of internal policy," as previously stated by Mr. Howe. The government agreed with the general principles regarding freedom of expression that Brockington had stated, but in the present critical state of world affairs, the government could not fail to be concerned by "any circumstance or condition which is likely to augment existing dangers."

My colleagues and I are aware that, in the case of a comparatively new medium such as broadcasting, the methods and forms employed to facilitate discussion of controversial questions are necessarily subject to experimentation and revision in the light of experience. We feel sure that the Corporation will agree that experience, thus far, has shown the desirability of broadcast commentaries being objective in form and restrained in tone. ...

The use of the national radio to pass judgment upon the government of Great Britain and foreign governments, without every possible precaution to ensure that the expression of opinion thus broadcasted is that of the individual and not that of either the Corporation or the government, is something surely that cannot be too closely guarded.

King welcomed the statement that in future the CBC would ensure that the opinions of individuals would not be confused with official attitudes on controversial questions. "Had this been the case with respect to the broadcasts which occasioned my remarks in Parliament, the remarks themselves would never have been made, as the occasion for them would not have existed."²²

From the standpoint of the corporation, this was a reasonably satisfactory reply, but Gladstone Murray had already taken steps to reduce the risk of further provocation. The plan was to substitute round-table discussions for commentaries by two speakers appearing in rotation. Plaunt described the new plan to Brockington:

With respect to these commentaries, Bill Murray has decided tentatively upon the following plan. MacKenzie [N. A. M. MacKenzie of the Faculty of Law, University of Toronto] and Stewart are to carry on with the regular commentaries until the end of June, but Ferguson will be invited to give a

²² / King Papers, Brockington to King, May 15; King to Brockington, June 14, 1938.

mid-week talk on general trends and opinions in Europe as seen by a recent visitor. ... For the fall season we will experiment with the "forum" type of commentary. ...

I think you will agree that this formula provides a diplomatic way of safeguarding our right of having international affairs reviewed in a "provocative" and stimulating way. Also, it provides us with a natural way of putting Ferguson back on the air first by asking him to do the midweek talk now and several of the summer commentaries, and secondly by getting him to take part in the proposed Winnipeg Round Table.²³

The weekly commentaries came to an end on July 17, 1938, and in the autumn the new forum series began. Plaunt believed that the "main lines" in the development of the Canadian system were now drawn: the long-term plan for national coverage, "freedom from political interference, freedom of speech, etc.," and that "the ship has a good chance of surviving."²⁴ But of course the CBC had been forced into partial retreat. Many Canadian listeners were accustomed to hearing nightly commentaries on world affairs from American stations and from the two Canadian affiliates of CBS. The corporation had found it prudent to abandon commentaries originating within the country; they did not make their reappearance on the CBC English network until the middle of the war. Two fortnightly commentaries were, however, scheduled from London and Washington on world affairs as seen in those capitals, the regular speakers being Graham Spry in England and Raymond Gram Swing in the United States.

Beverley Baxter's commentaries, sponsored by General Motors, continued until the contract ran out in the autumn of 1938. They were embarrassing to the CBC not only because Ferguson's broadcasts had been discontinued, but because the arrangement for sponsorship conflicted with a principle Brockington had outlined to the Radio Committee: "We are opposed also, and shall always be opposed to any attempt to buy the right on our network for the advancement of personal opinion or propaganda. If opinion sufficiently informed on the lips of an attractive speaker is available, it will be offered by the CBC without remuneration as a contribution to national enlightenment and provocative discussion."²⁵ The board gave the question further consideration in its meeting of October 1938. It agreed that sponsored network commentaries were undesirable in principle, but thought that a public ruling was inadvisable just then because the board's motive might be misinterpreted.

In fact the corporation was still feeling its way. It had not defined its

23 / Plaunt Papers, Plaunt to Brockington, May 26, 1938.

24 / *Ibid.*, Plaunt to Claxton, Sept. 10, 1938.

25 / 1938 *Proceedings*, p. 10.

policies precisely. The idea of a public corporation seeking deliberately to encourage the expression of controversial opinions, at public expense, was new in Canada, and far from winning general acceptance.²⁶ The more common assumption was that those who wanted to express their individual views should buy time to do so – an idea that fitted in with the concepts on which commercial broadcasting was based.

Meanwhile, the CBC had started negotiations to provide free network time to political parties engaged in election campaign broadcasting. It planned to issue a definitive statement covering political and other types of controversial broadcasting. But before its preparations had gone very far, a new case arose to challenge the corporation's assumptions. The storm broke just as Parliament was about to meet in a new session in January 1939.

3 *The Case of George McCullagh*

George McCullagh was a young man who with the backing of a mining magnate had bought two Toronto daily newspapers in 1936 and merged them into the *Globe and Mail*. His newspaper was rather friendly to the Ontario government of Mitchell Hepburn and critical of both the federal Liberal and the Conservative parties. McCullagh believed that the country needed to get away from party politics and to place its trust in non-party leaders, who would pull the country out of its morass. A somewhat similar campaign was being conducted in the winter of 1938–9 by the *Financial Post*, and its call for the acceptance of “the leadership principle” in Canadian public life seemed to be gaining attention and support.²⁷

Early in 1939, McCullagh decided that he must secure time over a network of Ontario stations to advance his ideas on the need for leadership, and “incidentally to extend the influence of the *Globe and Mail* as an agency of public service.” On January 3 he telephoned Gladstone Murray in Ottawa, applying for permission to arrange a network for a series of half-hour talks; he assumed such permission would be routine. Murray told him that the board had been having policy discussions about

26 / For example, the often liberal *Saturday Night* argued in 1938 that Ferguson's commentaries should not have been “delivered under the sponsorship of a Canadian governmental institution and at the expense ... of that same institution” (March 19, 1938).

27 / *Financial Post*, Nov. 26, 1938. Editorials on this theme continued nearly every week, with evidences of support from other newspapers and from “front-rank citizens.”

the granting of new applications for subsidiary networks; and that it was their feeling that the kind of views McCullagh wanted to put forward were best handled in unsponsored debates and discussions.

After McCullagh's call, Murray quickly telephoned Brockington in Winnipeg to get his advice, and Brockington confirmed that McCullagh should not be given permission to buy a network of stations for this purpose. Murray then wrote McCullagh setting out the corporation's position, and inviting him to take part "in our National Forum which is given on Sunday evenings at 10 o'clock and which is distributed by more than sixty stations throughout Canada." Murray thought that an appropriate subject and setting could be arranged, and because McCullagh was a good broadcaster it would be possible for the CBC to invite him to speak on various subjects at reasonable intervals.

McCullagh could not understand why he should be denied the right to purchase time while (it seemed) if he were speaking "as a representative of the Canadian Club, the C.C.F. Party, or in fact the Communist Party" he would be able to do so. "In my opinion this ruling is very unfair and greatly prejudices the right of free speech on a government-owned system of communication."²⁸

Murray replied that it was the corporation's policy, as part of its educational function, to encourage the fair presentation of controversial questions, and that time had been provided on a sustaining basis to a number of organizations which had arranged discussions of this kind. New arrangements were being worked out for party broadcasts on the network, but individual privately owned and CBC stations would still be able to sell time to rival candidates and parties.

Then Murray cited "rulings recently approved by the board of governors regarding the sponsorship of non-party, controversial broadcasts:

1. No individual may purchase any network to broadcast his own opinions;
2. No profit-making corporation may purchase any network to broadcast opinions;
3. Properly constituted societies may purchase network time subject to the following conditions: (a) that the society accepts responsibility for the broadcast ... ; (b) that each broadcast is prefaced and concluded by an appropriate announcement making clear the nature and auspices of the broadcast and indicating that equivalent facilities are available to opposing views on the same basis; (c) that there is no interference with

28 / *Globe and Mail*, Jan. 16, 1939; letter from McCullagh to Murray, Jan. 4.

normal CBC program arrangements; (d) that the broadcast is of sufficient popular appeal and interest to justify its inclusion; (e) that the broadcast is within the wording and spirit of our regulations and not in violation of any law." These rulings did not apply to individual privately owned stations. Their purpose was to make it clear that profit-making corporations did not have the right to use their sponsored programs to influence the public in favour of certain views; and similarly to prevent the situation in which access to broadcasting would be limited to wealthy individuals.²⁹

McCullagh declined to take part in the "National Forum" series, and declared that the reasons given for the CBC's rulings were very flimsy, "a serious violation of one of the pillars of democracy—freedom of speech." He advised that he would go ahead with his series of addresses over the best available private stations in Ontario, beginning January 15.³⁰ McCullagh circumvented the CBC's ruling by transcribing his talks, and broadcasting them simultaneously over CFRB Toronto and eighteen other stations. Statements protesting the corporation's action came from Arthur Meighen, George Drew, Ontario Attorney General G. D. Conant, Harry Sedgwick, and others. In an interview C. D. Howe maintained that the corporation's ruling was not new, that there had been twenty other cases in which an individual had been refused permission to buy network time; but on this point he was obviously misinformed.

The *Globe and Mail* argued that it was a discriminatory ruling, and that "dictatorship is on our doorstep by the grace of the King government." McCullagh blamed Brockington in particular; he had understood Murray to tell him on January 4 that the restriction applied only to the publicly owned stations and the national network, and that he was free to use a network of private stations. It was obviously Brockington's decision that even a private network should be denied him, and the government must take responsibility for what had happened. "The Corporation is a government creature, no matter how the theory of parliamentary authority is invoked."³¹

The *Globe and Mail* won some support from other newspapers, but not as much as might have been expected, in spite of the warning that "Today it is not unthinkable that the government, having decided that freedom of the air is abolished, would attempt to wipe out the freedom of the press." The *Toronto Telegram* and the *Montreal Gazette* gave

29 / *Ibid.*, Murray to McCullagh, Jan. 5.

30 / *Ibid.*, McCullagh to Murray, Jan. 7.

31 / *Ibid.*, Jan. 16 and 17, 1939.

McCullagh their full support, but strangely the *Financial Post* did not. A few days before he sailed for England, the retired Conservative leader, R. B. Bennett, issued a statement which criticized the CBC's action and stated the other side of the case succinctly: "I believe it will be agreed that where a public utility has something to sell, and in this instance that something is 'broadcasting time,' any person who can pay the price charged should have the right to buy that commodity except where its use involves a breach of the laws of this country. ... The corporation has therefore assumed the right to deny the privilege of free expression of lawful opinions by a responsible citizen of this Dominion."³² The *Ottawa Journal* refused to follow the lead given by Bennett and Meighen, and instead argued that the CBC regulation was similar to that of the two big broadcasting companies in the United States. It quoted from "official letters." From NBC: "Sustaining time is furnished at NBC expense for discussion of controversial questions by recognized leaders. The company attempts at all times as nearly as possible to give equal representation to opposing sides. Any other method of procedure would give those with the most financial resources a monopoly of radio as a means of influencing public opinion." From CBS: "If time were sold for discussion of controversial issues or for the propagation of the views of individuals or groups, we would necessarily allow a powerful public forum to gravitate almost wholly into the hands of those with the means to buy it. We would in fairness have to sell to all with the ability and inclination to buy at a given moment, thus surrendering all possibility of maintaining well-balanced broadcasting schedule and such discussions should be kept in balance by editorial judgment."³³

A number of newspapers unfriendly to McCullagh's ideas wrote editorials similar to this one in the *Ottawa Citizen*: "In effect, the power to buy time on the radio network as George McCullagh, publisher of the *Globe and Mail*, would like to have it would mean that radio broadcasting had become the special propaganda instrument of one class." The *Canadian Forum* commented:

Our financial oligarchs are so accustomed to control all propaganda agencies, that when there is one they cannot buy they think it monstrous. Hence the hue and cry ... even by Dr. Manion in the House – all about free speech and dictatorial censorship. That is nonsense. ...

National time belongs to the nation and is not necessarily for sale to the

32 / *Ottawa Journal*, Jan. 19, 1939.

33 / *Ibid.*, Jan. 25. The statements had been sent to a Toronto publication and were quoted in the Commons by Howe on Jan. 20, 1939.

highest bidder. The CBC policy "to encourage the fair presentation of controversial questions" by discussion is right.³⁴

But in the main newspapers left it to Parliament to sort out the arguments. Prime Minister King introduced the matter into the House debates two days after the story was made public in the *Globe and Mail*. King quoted a statement that Gladstone Murray had given to the press, and reminded members that "the business of controlling and regulating radio broadcasting has been placed by this parliament under the Canadian Broadcasting Corporation, which is an autonomous public body and with which the government does not interfere and has no desire to interfere." The leader of the opposition, R. J. Manion, followed with a charge that it was an attempt at censorship, and asked that a committee be set up to investigate this incident and other matters affecting the corporation. King agreed to his request.³⁵

Denton Massey pointed out inconsistencies in the application of the corporation's rule, if it was a rule: time had been sold to George Drew before he became leader of the Conservative party in Ontario; and Beverley Baxter's commentaries on the national network had been sponsored. While "in many ways ... the management of the broadcasting corporation are to be heartily congratulated upon their efforts to date," the CBC was being used "for political purposes and for furthering the interests of those who sit on the treasury benches." He mentioned a series of addresses in which ministers of the crown had explained the work of their departments.³⁶ (Manion had been asked by the CBC to discuss the duties of the leader of the opposition, but had declined, because he would be one out of eighteen or nineteen to speak, and the others would all be ministers.)

Howe reviewed the McCullagh case and made it clear that he had had nothing to do with the corporation's decision, in fact, that he had been out of the country at the time. He emphasized that under the Broadcasting Act the government was left with only a few powers: to appoint the nine governors of the CBC; to approve or disapprove of nominations for general manager or assistant general manager; and to approve the by-laws of the corporation. The minister of transport served as "the channel through which the board shall communicate with the government and with parliament." There was no possible way by which the government could interfere with any CBC decision. Howe said he personally had

34 / *Ottawa Citizen*, Jan. 17, 1939; *Canadian Forum*, Feb. 1939, p. 327.

35 / *Debates*, Jan. 16, 1939, pp. 12, 24-6, 53-5.

36 / *Ibid.*, Jan. 19, 1939, pp. 181-5.

often disagreed with actions taken by the board, but they had been put into effect. He recalled that in the last session, the prime minister and a number of other members had disapproved of a certain commentator (George Ferguson) and the subject matter of his comments. Although there was "general agreement" that his statements were not in the public interest, "that same commentator continued for many weeks afterwards." Howe said he was outraged at the time; he mentioned it now merely to show that the board was not disposed to take instructions from the government. Howe defended the CBC regulation against accepting sponsored commentary, but later told the House that the corporation should have given more notice of its ruling before putting it into practice.³⁷

4 The Radio Committee of 1939

The committee which began its hearings in March gave Brockington the opportunity for another brilliant exposition of the corporation's responsibilities and function in the Canadian community. He dealt with the charge that the CBC was a governmental organization:

We are not part of the government of Canada. We are not civil servants. ... We do not expend ... taxpayers' money except in so far as it may be represented in capital advances made by the Dominion government. We are trustees for the payers of licences. ... We alone are responsible for policy. We are responsible for all the acts and omissions of our administrative officials who, I may say, enjoy our confidence. ...

The board of governors has never been swayed by any consideration, personal, political or partisan. ... I am not aware personally of any political pressure that has been placed upon us at any time. If there ever has been any suspicion of pressure, I am sure it has been completely resisted. ...

If advertising were the basis of operation, Canadian radio would have been lost for Canadian purposes, commercially or otherwise.³⁸

He recalled the statement he had made the year before on the CBC's policy on controversial broadcasting, and reminded the committee that he had not been cross-examined or questioned "on one sentence or one phrase."

Brockington admitted that the CBC had not made any statement which "unequivocally forbids the broadcasting of sponsored or unsponsored personal opinions or propaganda on any subsidiary or so-called private network." But the CBC was charged with the supervision of all networks,

37 / *Ibid.*, Jan. 20, 1939, pp. 190-5; Feb. 9, p. 770.

38 / *1939 Proceedings*, pp. 3-4.

and therefore a ruling prohibiting the broadcasting of sponsored opinion on an auxiliary or private network was a logical and legitimate extension of the CBC's declared policy. Indeed, if he had been in Murray's position, he would have gone further and tried to make sure that transcriptions were not used to evade the network regulation. The CBC governors had met the previous week and endorsed the general manager's action by a vote of six to one. The one who did not vote for the ruling (Gen. Odlum) agreed that there should be no sponsorship of opinion on the national network, but felt that it might have been allowed on auxiliary networks. Brockington continued:

If the committee disagrees with what has been done, if they want to bring in any criticism or censure or animadversions with regard to the policy of the Canadian Broadcasting Corporation or the way we interpret it to our general manager, all criticism, all censure and all animadversions should be directed to the Board of Governors, in the person of myself, and not to the general manager.

I believe, however ... that our policy is the only one that can be supported, because it is the only one that will preserve the essential parts of our inherited freedom. ... I believe eventually that the private stations of this country ... will bless us for the firmness with which we have resisted what I conceive to be a perfectly honourable and perfectly public-spirited action but nevertheless an attempt to destroy this regulation. ...

I cannot escape the conclusion that under our constitution either all of us have an equal right to speak over the air or none of us has any right to speak over the air. ... The important and necessary requirement for the protection of the listeners is that all sides be given, if any side is given on any important controversial, social, political, economic or religious question. ... There should in general be no preference for any Canadian over his fellow-Canadian. ... Above all there should be no preferences for wealth. Freedom of speech is not for sale at fifty dollars a minute on the air; if it were, then free air would soon degenerate into just a sign outside a filling station. ...

Where do you want that power to remain? Do you want that power to go to private interests to be placed under the domination of the blatancy of advertising or the cupidity of wealth? Do you want it to go to the government of the day, so that you may turn all these things that were meant for education, enlightenment and entertainment into instruments for the advancement of fascistic power? Or do you prefer to leave it to the just and the courageous administration of citizens charged with the responsibility by parliament? responsible not to the government of the day but to the parliament of the day?

... We do confidently ask your support for the ideals of national ownership, for the continuing principle of independent and autonomous control which we without fear I hope, and without self-interest I know, have consistently and steadfastly attempted to defend, to justify and to maintain.³⁹

39 / *Ibid.*, pp. 32-9.

In answer to a question, Brockington said that the CBC did not intend to prevent sale of time for opinion broadcasting on private stations, but it intended to see that private stations give equal opportunities to all.

Lawson pressed for the production of the corporation's minutes to show when and in what terms the directives to management were given. Woodsworth objected that the corporation was an autonomous body, and the committee had no right to go into details of what took place at meetings of the governors. The committee had a right to criticize policy, and to know what policy was, but not the right to inquire into all the discussions that preceded the formulation of policy. H. H. Stevens, who had rejoined the Conservative party, pointed out that the corporation was more than a regulating body; it was an operating body, competing with the private corporations it regulated. It was therefore necessary that the committee make sure that the corporation had well-defined regulations that could be fully explained to members of the committee. Lawson's motion was defeated, although one Liberal member voted with him, in addition to the other Conservatives.⁴⁰

Brockington indicated that the corporation wanted to draft provisions that would apply to political and quasi-political broadcasting, and asked for constructive suggestions. Arthur Slaght asked whether he would allow the provisions to apply to the Communist party. Brockington said that personally he would. *Le Devoir* (March 13) was shocked by this, and by Brockington's suggestion for a sort of Hyde Park on radio. The *Telegram* of the same date said Brockington's statement proved him unfit for his post. To put it into effect would mean that the CBC would be "gathering up oratorical garbage and delivering it into the homes of the nation."

In the Radio Committee, Slaght also asked what difference there was in putting propaganda over two stations when it was all right to put it over one: "It is merely a wider audience, isn't it?" It was a difficult question, but Brockington had an ingenious answer. It would be logical to make the same rules for individual stations as for networks. But the CBC's duty was in connection with networks. And there was the further reason that the cost of an individual station was not "far outside the means of anybody who wants the opportunity to state his opinions." Lawson asked about the differences between the newspaper and radio. Brockington replied that radio was limited as to time, location, and space (frequency). Radio was primarily a community enterprise, and should not be primarily an advertising medium.

40 / *Ibid.*, pp. 56-72.

The newspaper does not recognize an obligation to see that all points of view are expressed in its columns. ... In our case the proprietors of the radio are the Canadian people. The Canadian people have many points of view. There are many facets to our national life that sometimes need to shine; there are many attitudes; there are many aspirations that would like to find expression on the air. ...

I myself, if I had my way, and we could start all over again, would think that the finest thing for Canada would be to have every station belonging to the state or rather to the community. That is the ideal. I realize as every one else must realize that it is probably impractical in this country. After all, you have a rich nation to the south of you which has commercial radio, and I believe there would be some unfairness to our own population if we proposed that my private ideal be enforced. ... There is a place in the Canadian economy for the individual local station, where local needs can be filled, and local commercial objectives satisfied.⁴¹

By the end of March, McCullagh feared that Brockington was having things too much his own way. He sent a telegram to the committee asking to appear as a witness. Charles Bishop sent this account of his appearance (April 4) to the Southam newspapers:

The narrow room where the radio committee meets was much too small for the curious, mostly M.P.'s, who wished yesterday to have a look at the witness of the day, Mr. McCullagh. ... His tone was truculent. Nevertheless, he was conventionally respectful to those whom he was addressing. But he made it clear that he wanted to do the talking, wanted no interruption, would stand for none. It was for the committee to listen and take it. They did so in something of a spirit of tolerant amusement. ... Rarely has the personal pronoun been more overworked. He built up a picture of martyrdom in a deserving cause. He had been "persecuted as no one else ever had been in the past." Why? Because of his bank account. ... In the tone and text of what Mr. McCullagh had to say was all the arrogance of wealth as displayed, particularly, by the nouveau riche, rather than the old style plutocracy. ...

Mr. McCullagh didn't blame Gladstone Murray who, as he claims, would have given him the air (not in the vernacular meaning of the term.) Brockington was the villain. [McCullagh had deduced this from a conversation which occurred in his home one evening when Murray paid him a visit.]

Mr. Brockington ... simply remarked that the version of the Murray-McCullagh conversation ... was "not in accordance with the facts."⁴²

Even more intriguing than McCullagh's mention of the visit paid him in his home by Gladstone Murray was the letter which was drafted by McCullagh and Brockington later that day, and released to the press. The two men wrote the chairman of the committee that mutual friends had brought them together to consider the question that had been at issue

41 / *Ibid.*, pp. 89-99.

42 / *Ottawa Citizen*, April 5, 1939.

between them, and that they now desired that “no further public reference be made to the recent incident.” Each expressed a conviction in the good faith of the other, and they hoped that this joint statement would allow them to co-operate “without further discussion” in the advancement of the public interest.⁴³ Charles Bishop commented that the statement represented “a new approach to appeasement, a new Munich.” Everyone was baffled.

The committee’s report was tabled in the House of Commons on May 10. The committee was impressed with the scope and importance of the corporation’s work, and expressed satisfaction with the CBC’s programs, financial policies, and development of coverage plans. It recognized the CBC’s responsibility for controlling and co-ordinating all broadcasting in the public interest. It shared the CBC’s view that opinion programs on the network should not be sold, and suggested that more time should be provided free for this purpose. It wanted to see the widest possible variety of points of view; and the CBC should experiment with forms of presentation. The only real criticism it made was that the CBC should better publicize its policy decisions in future. It recommended that network political broadcasting during election campaigns should be placed on a sustaining basis exclusively, but that between elections the networks remain open for purchase. The committee concluded that “the Corporation is developing a broadcasting system of increasing service to the people of Canada.”⁴⁴

The report was not discussed in the House, and not even mentioned when the Department of Transport’s estimates were presented on May 30. The *Globe and Mail* and the *Telegram* believed that the report was a disaster, and called for further parliamentary review.⁴⁵ The *Telegram* blamed the actions of McCullagh – the letter he had signed with Brockington – for the course events had taken. The *Globe and Mail* insisted that the *Telegram* misread his action and that no principle had been surrendered. Among the newspapers that commented favourably on the report were the *Ottawa Journal* (May 12); the *Ottawa Citizen* (May 12); the *Kingston Whig-Standard* (May 11); the *Winnipeg Free Press* (May 13); and the *Saskatoon Star-Phoenix* (May 17).

As the CBC prepared to cover the royal visit which began in May, it

43 / The letter was printed in newspapers of April 5, and reproduced in the *1939 Proceedings*, p. 359. The man who acted as intermediary was apparently Arthur Slaght, who kept King informed; King Papers, undated note from Slaght to King.

44 / *Debates*, May 10, 1939, pp. 3810–1.

45 / *Evening Telegram*, May 16 and May 19; *Globe and Mail*, May 12, 13, 18, 26, and 30, 1939.

could feel well satisfied with the two votes of confidence it had received from the committees of 1938 and 1939.

5 *The CBC "White Paper"*

While the Radio Committee was drafting its report, the CBC worked out a statement on political and controversial broadcasting that it hoped would commend itself to the political parties and the public, and prevent future mix-ups such as the one with George McCullagh. Alan Plaunt agreed to join Edward Pickering in its preparation (Pickering had left the prime minister's office the previous year, subsequently joining the staff of the CBC). The statement they drafted was approved by the board of governors in July 1939. It was printed in a pamphlet with a white cover and soon became known to the political parties as the "CBC White Paper."

The statement contained four sections:

1. Political broadcasts during federal election campaigns: The CBC and affiliated stations undertook to provide time on a free basis for national broadcasts by political parties. The arrangements were to be exclusively with the parties and not with individuals as such, "however important their place in public life." The amount of time would be allotted among existing parties recognized in the House of Commons. The number of periods each party received was to be determined by a complicated formula which recognized the standing of the parties in the House, their previous popular vote, balanced by an equalization factor on the principle that "the listener is entitled to an equal presentation of the points of view of all the existing parties." In addition there was special provision for new political parties meeting certain qualifications – a recognized national leader, a nation-wide organization, and nominations in at least one-quarter of the constituencies.

Besides receiving free time on the national network, parties might buy time on subsidiary hook-ups of private stations within a single province; and individual stations could sell time for the requirements of local political broadcasting.

2. Political broadcasts during provincial election campaigns: The CBC declared its intention of extending similar provisions to provincial campaigns, but this would wait until after the next federal election, which was expected in the autumn of 1939.

3. Political broadcasts between election campaigns: the CBC did not

contemplate free-time broadcasts except in political campaigns. Parties might instead buy time on networks or on individual stations.

4. Non-party controversial broadcasts: Here the White Paper restated principles which Brockington had expressed to the Radio Committee of 1939:

The CBC ... believes in the fullest use of the air for forthright stimulating discussion on all controversial questions. It believes that the best safeguard of freedom of discussion is policy which permits the largest possible opportunity for the expression of varying and opposite opinions. ... In the view of the Corporation, these principles are not promoted by the sale of network time to individuals or commercial concerns for broadcasts of opinion or propaganda. They can best be furthered through the CBC itself providing time, free of charge, to competent speakers to present, without let or hindrance, the varying points of view on questions of the day. ...

In conformity with this policy, the Corporation does not permit the sale of networks to individuals or commercial organizations for the broadcasting of opinions. ...

Non-commercial organizations or societies interested in public affairs may, however, purchase subsidiary hookups only. They may also, of course, purchase time on individual privately-owned stations but not on individual CBC-owned stations. ...

In a sense radio is a limited medium. ... Radio is also a highly expensive medium; it is not within the reach of all. Obviously, therefore, the purchase of networks to broadcast opinions is not a privilege which could be shared equally by all citizens. ... The policy of the CBC is to prevent the air from falling under the control of wealth or any other power. ...

The full interchange of opinion is one of the safeguards of free institutions. The right to answer is implied in any democracy. ... The air belongs to the people, and the constant aim of the CBC is to have the principal points of view on questions of importance heard by the people as a whole.⁴⁶

Not unexpectedly, the *Globe and Mail* saw cause for alarm in the new White Paper: "There is no denying the fact that the political broadcast ruling, the banning of individual opinion from the airwaves and the assumption of complete control over private networks are all of Mr. Brockington's design. ... The CBC's chairman is a brilliant apologist, all of whose talents are directed toward the justification of his own arrogance. Sincere he may be. So is Hitler."⁴⁷ The *Globe and Mail* criticized especially the provision in the White Paper by which the government party would get more free time in an election campaign than any other party. *Saturday Night* commented wryly that "it is, so far as we are

46 / "Statement of Policy with respect to Controversial Broadcasting," issued by authority of the board of governors, CBC, July 8, 1939.

47 / *Globe and Mail*, July 21, 1939.

aware, the first time that electors have been actually charged for the privilege of hearing their would-be rulers address them and explain why they should be given the privilege of ruling."⁴⁸ Defending the White Paper from the *Globe and Mail's* attack, the *Ottawa Journal* said that neither Mr. Brockington nor anyone else in the CBC had allotted "more time" to the party in office. The provisions had been discussed in advance. "What happened was that the parties themselves got together and agreed upon the amount of time each party should have."⁴⁹

Before two months were out, Canada was at war. The emergency and the resulting censorship regulations brought a new atmosphere to broadcasting; and for a time it seemed as if the White Paper had been put completely to one side. But in the latter part of the war and in the years that followed, the White Paper was referred to increasingly, and members of the program staff regarded it almost as Holy Writ. It exists, with but minor modification, to this day.

48 / *Saturday Night*, July 22, 1939.

49 / *Ottawa Journal*, July 24, 1939.

11 A PROVEN SYSTEM?

BY SEPTEMBER 1939 broadcasting in Canada had been in existence for twenty years. For two-thirds of this period it had developed with minimal controls and under no well-defined national policy. Beginning in 1932 a new public policy was formulated, a governing body established, and a licence fee collected from listeners to be used for broadcasting purposes. What effects had this had on the Canadian broadcasting system?

1 *Radio Coverage*

In 1939 no one disputed the importance of radio in the life of the average citizen, or radio's general pervasiveness; with the outbreak of war, this was to be demonstrated even more dramatically. In the preceding seven or eight years the number of licensed radio receivers had doubled.¹ This increase might have occurred if Parliament had made no changes in the broadcasting system. But it was indisputable that under the new system area coverage by Canadian radio stations had greatly increased, and – even more – the penetration of Canadian programs into the nation's homes. It would be hard to exaggerate the importance of this under wartime conditions.

In 1932 Graham Spry estimated that 25 per cent of the settled area of Canada could not receive Canadian programs from any station. The CRBC had been able to make only minor improvements in coverage. When the CBC succeeded it in 1936, still only 75 per cent of the population had any reasonable reception of a Canadian station. By the summer of 1939, the figure had increased to well over 85 per cent, with an assurance of increased coverage when the new and more favourable Havana Treaty (North American Regional Broadcasting Agreement) took effect.² The improvement was especially marked in French-speaking

1 / The number of receiving licences in the year ending March 1932 was 598,358; in 1933, 761,288; and in 1940, 1,345,157.

2 / The Havana Agreement came into effect in March 1941. In its *Annual Report* for 1943 the CBC claimed that its network reached 95 per cent of the population (p. 28).

areas, with the establishment of CRBC stations in Quebec and Chicoutimi, and the CBC's 50,000-watt regional transmitter near Montreal. The coverage of the Canadian population in 1939 was actually more satisfactory than the corresponding situation in the United States. According to the estimates of the Federal Communications Commission, nearly 39 per cent of the land area of the United States was outside the primary service area of any radio broadcasting station during the daytime, and nearly 57 per cent at night. Only a small part of the population of ten states could regularly receive network programs.³ Without the intervention of the Canadian government in the 1930's, there is no doubt that Canadians would still have had to depend principally on American stations and networks for their broadcast information and entertainment, as they depended on Hollywood for their film entertainment.

Even more important than the physical coverage afforded by Canadian radio stations was the rapid increase in network programs that were available. In 1932 the average Canadian station was on the air for a total of six hours a day, and over half this time was spent playing records. In its last year the CRBC was broadcasting for six hours a day. The CBC increased the network service to twelve hours in December 1937, and later to sixteen hours. This represented an enormous increase in direct program costs – that is, in the use of Canadian talent:

Year ending March	Program Expenditure (\$)
1936 (CRBC)	502,384.59
1938 (CBC)	1,088,419.61
1939	1,393,017.76
1940	1,540,658.37

During the war years, it became evident that Canadian broadcasting was reaching a professional level that it had never dreamed of before.

These expenditures would not have been significant if Canadian listeners paid as little attention to domestic stations and programs as they had done a decade earlier. But even before the outbreak of war, Canadian listeners were being won to Canadian stations and many of the programs. There are several explanations.

First, because of the rising noise level on radio, the average receiver did not bring in distant stations with the former clarity. This development, due principally to the greater use of other electrical equipment and the proliferation of American stations, was to accelerate in the

³ / C. B. Rose, Jr., *National Policy for Radio Broadcasting* (New York, 1940), pp. 36–8.

years ahead. Second, there were now powerful Canadian stations in each region that could be heard, even in the evenings, as easily as the American stations which previously had been so dominant. Third, the CBC embarked on the policy of carrying some of the most popular American-network programs and scattering them through its own evening schedule. This encouraged many Canadians to tune in to the local station. Fourth, the CBC's own productions began to win a better reputation, especially in covering special events such as the Royal Tour of 1939. Fifth, the CBC began to appeal to the special interests of important groups, notably the farm population. Regional farm broadcasts began to appear regularly in April 1939, including a daily dramatic sketch of a fictional farm family. These were enormously successful, and the rural population soon developed a loyalty to the CBC that has lasted over the years. Sixth, both Murray and Brockington were skilled in the arts of public persuasion; and their talks over the air were effective expositions of the CBC's performance, purposes, and intentions. In spite of the opposition to the licence fee, particularly in Toronto and south-western Ontario, it appears that the CBC's reputation was steadily growing in these first years of its existence, a fact which helps account for the solid backing the corporation received from the parliamentary committees of 1938 and 1939.

This is not to say that the principles under which the system had been founded in 1932 and 1936 were receiving unanimous endorsement. Although the private broadcasting stations, relatively, had lost ground during the first three years of the corporation's existence, many of them retained their ambition to develop into more powerful and more profitable enterprises, and to establish a private system in addition to the publicly controlled system. And many Canadians did not understand or accept the principle that "public service" rather than commercial criteria should prevail in determining future broadcasting development. The two principles were still contending; no one could be sure that the equilibrium in the broadcasting system of 1939 would remain for long.

2 National Considerations vs. Commercial Principle

It is clear that the broadcasting system of 1939 was the result neither of an ideological preoccupation with public ownership, nor of a wish to follow a British model, nor even of a choice between a system that could provide a variety of programs to appeal to different tastes and interests and a system that would produce entertainment of the greatest mass

appeal. All of these considerations were present, they were mentioned from time to time by proponents of one system or the other, but they were not decisive. Indeed the weight of ideological preference was on the side of private ownership and operation of broadcasting stations, and of advertising support for programs along the American pattern. The considerations which decided the political choice in the 1930's were nearly all national in character – bound up with the feeling that Canada must have an identity of its own, that its communications should not be subordinate to or dependent on the enterprise or the industry of another country.

The other set of beliefs were similar to those that underlay American policy: the belief that broadcasting is best carried on by a system in which individuals or companies engage in it as an economic enterprise with the minimum of government interference, and that there is a close analogy between the competitive market system and the process of liberal-democratic government. The implication here is that broadcasting is in reality part of the advertising industry.

Canadian radio stations initially opposed the recommendations of the Aird Commission on these grounds, and they won a certain amount of support from manufacturers, radio dealers, advertisers and advertising agencies, as well as members of the general public who were concerned that those who had started a risky enterprise be treated fairly. Many of these were also anxious to maintain a local broadcasting service. They were supported by certain of the provincial governments – notably the government of Quebec – who valued local or provincial autonomy and were reluctant to see the power of the federal authority increased.

But when the time came for owners of the private broadcasting stations to show how the national interest could be preserved under private ownership, and in particular how a national program service could be provided, no plan was put forward that did not involve the expenditure of substantial public funds. Meanwhile, the more important stations of Toronto and Montreal had already become affiliates of the new American networks, and it appeared that unless Canada provided some positive alternatives, other stations would follow, and American broadcasting supremacy would be confirmed, probably for all time. Under these circumstances, the Conservative government of Mr. Bennett made its choice; radio was to be “nationalized.” For a time it seemed that private stations might almost disappear, and be absorbed into the new national system. As soon as the legislation had passed, owners of small stations flocked to Ottawa to see how much money they could get by selling the government their transmitters and equipment.

The government, however, was not willing to move so fast. There was still an essential role for the private broadcaster. The government was not ready to raise the licence fee to \$3.00 as had been advocated, and the legislation of 1932 made no provision for financing a program of station construction. The Radio Commission had in effect to buy the favours of the private station owners in order to get adequate program distribution. The commission was caught in the middle. The advocates of a dominant public system were not satisfied with half-measures, and the private broadcasters resented the new public authority. But a marriage of convenience had been arranged and it was to last for years.

Although Bennett himself was convinced that Canadian conditions demanded a strong governmental role in broadcasting, he did not carry a number of his important colleagues in Parliament with him. The Liberals were also divided, but a larger number of cabinet ministers in 1936 were committed to public ownership and control in broadcasting than there had been in the previous administration. There was not a great deal of difference between the two parties on ideological grounds, but at this time the Liberals were somewhat more committed to the idea that the national authority should both own stations and regulate the private stations. As shown by the unanimous or nearly unanimous support given the legislation in 1932 and 1936, both parties believed there was some political advantage in publicly espousing a system of national broadcasting.

By the time the Liberal government had modified the system in 1936, it was too late to wean Canadians from American commercial programs. Canadians would not have been at all happy if their program choice had been modelled on the BBC: one national and one regional program as the alternatives. They wanted a mixed pattern which would allow them to hear Canadian network programs, local programs, and American network programs. So it was that the CBC built upon the improvised national system of Bennett's day, and added American programs, often with their American sponsors. The CBC was a unique system, a combination of conflicting elements: a network of both public and private stations (the latter the more numerous but of smaller power); and a program service partly sponsored (paid for by advertisers) and partly sustaining (non-commercial).

Two philosophies were therefore tangled in a single system. As a representative of the national interest, the public authority was supposed to be dominant, but the private stations, and particularly their newspaper supporters, cried injustice: the public corporation was not only their competitor in the program field but also the regulating authority.

Actually, outside Toronto and Montreal there was little competition between the CBC and the private stations. But the CBC deliberately put limits to its commercial revenues and did not compete for the lucrative local and spot commercial business. E. A. Weir, former commercial manager for the CBC, wrote: "A complete change had come over the economics of radio between 1933 and 1937. ... The problem in most places was not so much of selling time but of finding time to sell."⁴ The charge of "unfair" CBC competition could not be substantiated – yet.

In fact many of the smaller stations were quite content with the commercial arrangements initiated by the CBC. The corporation's regulations were not onerous, and through the commercial operations of the network the smaller stations received advertising revenues they would not otherwise have had. But some of the larger stations – leaders within the Canadian Association of Broadcasters, some of them affiliated with American networks – wanted to remove themselves from CBC authority altogether. They proposed to form a network which would carry programs from CBS in the United States. The CBC said "no" to the proposal, not only because it challenged the CBC's position as the national network authority but because it would have required more public money to supply alternative station outlets. In any case, the CAB decided not to press the plan before the Parliamentary Committee in 1939, but the idea was far from dead. The CAB had a more immediate objective: the raising of the limit placed on power increases for private stations. In this, stations were beginning to recruit new allies – a number of newspaper publishers, local chambers of commerce, and some members of parliament.

Over a third of the private stations now had links with newspaper publishers or were owned outright by a newspaper. Three newspapers in Montreal and Toronto – *La Presse*, the *Evening Telegram*, and the *Globe* (later the *Globe and Mail*) had been consistent advocates of the private ownership of stations and of their support by advertising. Toward the end of the decade other newspapers owning stations began to see possibilities for sizable financial returns from their broadcasting activities. Many of them had previously shared the common attitude of newspapers that broadcasting should not compete for advertising revenues and should be primarily a public service. Now they began to favour a degree of autonomy for the radio station, or as much freedom as possible from government control. Some argued that broadcasting was merely another form of journalism, and that in a democracy the radio station, like the newspaper, must be "free."

4 / E. A. Weir, *The Struggle for National Broadcasting in Canada*, p. 240.

In *(CP): The Story of The Canadian Press*, M. E. Nichols describes the growing divergence in the 1930's between newspapers that owned stations and those that did not.⁵

Strain in the CP membership grew to tension as station-owners urged closer association with commercial radio. ... A sharp cleavage arose. ... The strenuous fight for separation of news from advertising on the air was perhaps a lost cause from the beginning; it was doomed to failure when the membership ceased to pull together in the fight. ... Private stations over a period of at least fifteen years had found sponsored news their best revenue producer. ... If Brockington had ruled against the broadcasting stations, a respectable minority of CP members would have damned him for doing so.

Moreover, in the late 1930's a number of stations were coming under common ownership or common management; for example, the stations in northern Ontario belonging to Roy Thomson, and the nine stations managed by Taylor, Pearson, and Carson: CJOC Lethbridge, CFAC Calgary, CJAC Edmonton, CKWX Vancouver, CJVI Victoria, CKCK Regina, CJRC (CKRC) Winnipeg, CKOC Hamilton, and CJCS Stratford. Most of these stations were in good markets, where advertising revenues would support expansion. With their unity of direction and their newspaper associations, the stations were in a strong position to make effective representations for increased power when the opportunity arose. CFRB Toronto and CFCN Calgary, each with a power of 10,000 watts, were already "regional" rather than local stations. CKAC in Montreal had a power of only 5000 watts, but an excellent frequency; through its network arrangements with other stations in Quebec, it could also be counted a regional station. The CBC hesitated to reduce the power that any private station had previously been granted. When the Havana Treaty came into effect, giving Canada more opportunities to establish stations of high power, other local stations would inevitably press for a power increase that would make them regional stations also. Such a development would run counter to the CBC's plan for a system of publicly owned high-power stations carrying the national service, supplemented by low-power stations providing an alternative community service. The possibility, or rather the probability, of conflict was built into the system established in 1936.

3 The Form of Public Control and Operation: The Commission

By 1939 Canada had tested two systems of national broadcasting. How did the performances compare? Plainly, the corporation after three years

5 / (Toronto, 1948), pp. 265, 268.

was in a much healthier state than the commission had ever been. This is evident from the debates in Parliament, from the proceedings and reports of the parliamentary committees, and from the newspapers and journals of opinion at the time. To an extent we can account for this by the fact that the commission came first, and that the corporation was able to build on the work it had done and to avoid its mistakes. It was also true that the commission had to contend with the most critical years of the depression, and that the financial climate for all broadcasting improved in the later years of the decade. But these factors do not account for the entire difference. The corporation was a superior form of organization; it seems in practice to have had the advantages that Spry, Plaunt, and Claxton claimed for it.

The Radio Commission had positive accomplishments to its credit, even though one student of public administration has labelled its record as a "history of errors, so far as governmental control of radio broadcasting in Canada is concerned."⁶ For the first time it provided Canadians with a national program service during the most important hours of listening each day, and listeners benefited from the improved technical standards imposed on all stations. The commission reduced the amount of advertising in programs and prevented some of the excesses that had previously characterized radio advertising. It brought higher standards to Canadian radio production, and made available throughout the country some of the better programs produced in other countries. Coverage was improved to a limited extent, particularly in Quebec. The commission fashioned a national network of stations through a co-operative arrangement between public and privately owned stations (seemingly the only practical way to secure a network in those years); and it demonstrated that a public system of broadcasting in Canada need not result in a partisan program service. All of these accomplishments, strongly criticized throughout the commission's history, were tacitly recognized when the commission system was replaced by another.

The successes of the commission were made possible by its powers under the legislation of 1932, including the authority to determine the number, location, and power of broadcasting stations in Canada. Network arrangements were its exclusive responsibility. The commission could regulate the amount of time stations gave to national and local programs and to advertising. With the approval of the government, it could establish its own stations and (after 1934) appoint technical and

6 / J. E. Hodgetts, "Administration and Politics: The Case of the Canadian Broadcasting Corporation," *Canadian Journal of Economics and Political Science*, xii (Nov. 1946), 454.

program staff without reference to the Civil Service Commission. Private stations objected to the commission's regulatory powers, but nevertheless the new act in 1936 gave the CBC almost the same powers that the commission had exercised.

The commission's failures were due partly to the reluctance of the government (and of Parliament) to support it with adequate funds, and partly to deficiencies in the Broadcasting Act and the type of safeguards intended to keep the commission accountable. Aside from the inadequacy of the \$2.00 licence fee, the commission was handicapped by not knowing how much revenue from this fee would be transferred to it, and by its dependence upon parliamentary appropriations. These uncertainties prevented long-term planning and the degree of independence of Parliament or the government that would allow the commission to exercise leadership in the formulation of broadcasting policy. (The field of broadcasting was too uncharted for members of the cabinet, their civil service advisers, or private members of Parliament to develop a workable policy on their own. The CRBC, always in need of funds, needing defence against the innumerable attacks made upon it, needing even the attention of the minister and government approval for routine business, was not able to press its recommendations successfully with the cabinet, let alone with Parliament.) The commission's vulnerability to political attack was increased by the fact that it consisted of only three men, all of whom were responsible for day-to-day operations as well as policy decisions. Partisan appointments to the commission had a significance they would not have had if the governing board were larger and less involved in administration. The act provided for a general council to advise the commission, and this might have been a protection. But the government, hesitant to negotiate with provincial governments on the choice of council members, never implemented this part of the act. Without this general council, the commission lacked an avenue of publicity when it wanted to deter the government from a particular action, and was robbed of the chance to make its policy decisions seem important. Nor did the commission have an easy way of testing policies before they were adopted, or of establishing two-way communication with the people it served, other than through a Parliament and a press that were often hostile.

The most obvious weakness of the commission system, although not necessarily the most important, was that there were in effect three general managers instead of one. In spite of determined efforts to maintain a unified policy, some important decisions (such as on wire-line contracts) were made without the knowledge of the chairman.⁷ The Parliamentary

7 / See Weir, *The Struggle for National Broadcasting*, pp. 157, 169–70.

Committee of 1934 had good reason to recommend that a general manager should be appointed to conduct radio broadcasting; but its report did not suggest how this recommendation was to be fitted into a system of three full-time commissioners. The committee of 1936 concluded that “a commission of three cannot be moulded into a unity that can formulate and execute policies successfully” – not at any rate with the limited independence that the commission had, and the lack of any real “buffer” between management and the government, between the administration and the public.

There was a further difficulty in that the government was reluctant to define precisely its own powers and responsibilities vis-a-vis the commission, or to acknowledge its over-all responsibility for the development of the broadcasting system. Because Parliament had intended to set up a non-partisan broadcasting commission, independent within its sphere of authority, the government was tempted to claim that it could not influence the commission and was powerless to make decisions in the field of broadcasting. There was little attempt to differentiate the government’s role in policy formation and the commission’s. Thus we find the minister of marine telling the House of Commons that he was but the commission’s spokesman in the House; and that although the minister could exercise some control, the chief requirement was that the commission report to the House once a year. Even Prime Minister Bennett was capable of giving the impression that “the minister has no control over the commission, neither the Minister of Marine nor the Prime Minister.”⁸ Little wonder that private members declared themselves perplexed and baffled about where the responsibility lay for broadcasting policy.⁹

In reality, the government had very effective powers that could be used to control the commission. It set the licence fee, appointed the members of the commission (for a fixed term, it is true) and decided the amount of the appropriations to be recommended to Parliament. Moreover, its approval was needed for the building or acquisition of stations by the commission, for the commission’s by-laws and regulations, for senior staff appointments, and for the budget estimates. Indeed, all of the commission’s expenditures had to be approved by the Treasury. The government apparently did not try to interfere much in the granting of

8 / *Debates*, May 11, 1933, p. 4913.

9 / For example, *ibid.*, R. W. Gray, p. 2573; F. G. Sanderson, p. 2575; A. W. Neill, pp. 2574, 2576 (Feb. 28, 1933); Hon. Charles Marzil, p. 4146; F. G. Sanderson, p. 4155; Hon. James Malcolm, p. 4157 (April 21, 1933). Also in the *Debates* of 1935, Messrs. Factor, Neill, and McGibbon, p. 3356 (June 6)

licences to radio stations, or in program matters, but with the powers at its disposal, surely it could have done so. That the government did not try to bring more pressure on the commission is perhaps a tribute to the overwhelming sentiment that a public authority outside a government department was needed and should be given a chance to operate, or to the strength of the prime minister's conviction about the instrument he had fashioned – or could it have been the government's fear of even more trouble, stirred up by an aroused opposition?

4 The Form of Public Control and Operation: The Corporation

The amount of control the government could exercise on the Canadian Broadcasting Corporation was also a matter of mystification for some members of the House of Commons, and C. D. Howe was not more helpful in clarifying his position than had been his predecessor, Mr. Duranleau. Because the corporation was not dependent on Parliament for appropriations, members had fewer opportunities to query the minister about operations; and the minister was more justified in turning questions aside on the grounds that the CBC was an autonomous body, independent of the ministry of the day with respect to its internal affairs.¹⁰ But he went further than this when he told the House that the Department of Transport had “absolutely no control” over the CBC, that he was but the channel of communication between the corporation and the government. His chief responsibility, it appeared, was to see that the CBC lived within its means! We need only recall how assiduously the board of governors worked to obtain the government's approval for its policy of limiting private stations to local broadcasting, and the struggle it had with Mr. Howe before the government approved its plan to construct high-powered regional transmitters. It would have given the House a truer picture if Howe had replied in the words of a British postmaster general, discussing his relation to the BBC: “In the ordinary matters of detail and of day to day working, the Governors are absolutely masters in their house. ... As regards matters of general policy ... I am prepared to take a certain measure of responsibility – because, of course, we must retain a measure of control over larger matters of policy.”¹¹

10 / *Debates*, Feb. 14, 1938, p. 410 (refusal to produce CBC commercial contracts). Similar refusals were on Feb. 16 (p. 509) and on March 4 (p. 1047).

11 / Great Britain, House of Commons *Parliamentary Debates*, ccixx, column 2489 (July 12, 1928).

But in these years, because of the suspicion cast on the former Radio Commission as a party-controlled instrument, both the minister and the CBC itself were eager to emphasize the corporation's independence. In 1939 Brockington told the Parliamentary Committee:

The government is responsible only for the appointing of this board, and for the specific duties of supervision which have been placed upon the minister and council by the Act which Parliament passed. A unanimous parliament is responsible for the Act; for all else we are responsible. We alone are responsible for policy, whether it is bad or good, whether it is wise or unwise. We alone are responsible for all our acts and all our omissions. ... For everything which is done the Board of Governors through me assumes full responsibility and shares it with no one.¹²

Brockington made only passing reference to the powers the minister and the cabinet had under the act, but these powers were sufficient to give the government a considerable measure of control over policy in the larger sense. The government had not retained the power to control the corporation's income through parliamentary appropriation, but of course it still determined the amount of the licence fee. It appointed the members of the board, who were eligible for reappointment. It approved the appointment of the general manager and the assistant general manager. Its approval was necessary for the establishment of any CBC station or for the purchase of any private station, for any expenditure exceeding \$10,000 or any lease lasting over three years, and for the corporation by-laws. The minister had the power of authorizing the corporation's withdrawal of funds from its licence revenues, a power which Mr. Howe seemed to prize.¹³ In the regulation of networks and stations the corporation had a free hand (subject to review by Parliament), but the government had to approve and act on all recommendations regarding station licences and changes in power.

Admittedly, the government did not exercise all these controls, but it was nevertheless misleading to claim that it did not have an important part in the development of policy. True, in these early years the corporation did take the leading part. The legislation passed in 1932 and in 1936 was very imprecise about what was expected of either the commission or the corporation, and the government did not provide a charter or an official statement as guidance. The corporation was left to interpret the wishes of Parliament from debates in the House, from parliamentary committees, and especially from representations to the

12 / *1939 Proceedings*, p. 3.

13 / *Debates*, Feb. 14, 1938, p. 439.

committees by organizations such as the Radio League. (The part that Alan Plaunt had in drafting the legislation in 1936, and his appointment to the board of governors, allowed a reasonable inference that the CBC was expected to develop along lines suggested by the league.)

The corporation undertook boldly to develop broadcasting policy according to its best judgment, overcoming in the process the rather different ideas expressed privately by the minister of transport. In this the board of governors was aided by the expert advice of its senior staff, the experience of the Radio Commission, the political acumen of Alan Plaunt, and the public relations ability of Leonard Brockington and Gladstone Murray. The result was a very complete vindication of its policy by the Parliamentary Committees of 1938 and 1939, an increasingly favourable reputation in the country, a rather pained acquiescence on the part of the private stations – and a viable working system.

But what about the corporation's accountability to Parliament, which was emphasized as much as its presumed independence of the government? The principal ways in which members of parliament could secure information and exercise their supervision over the policies of the board were through questions in the House, through debates, and especially through the select committees on broadcasting.

On the whole, questions in the House did not ask for such detailed information on administration and operations as had been sought during the time of the commission. Since the corporation did not receive an appropriation, members did not so much take for granted that they could inquire into any detail of expenditure. The minister made an attempt to follow the practice in the British House, by which questions were answered only if they dealt with broad matters of policy.¹⁴ At times, he gave detailed replies on questions regarding controversial program decisions, which may or may not have reflected important policy. But the opposition was always dissatisfied when a question was left unanswered, and on one occasion forced a vote.¹⁵

Debates about broadcasting took place after the Speech from the Throne; during consideration of estimates for the Department of Transport (especially items relating to the collection of licence fees); or when radio legislation was being introduced or revised. Since the reports of the select committees were received late in the session, there was little or no debate on these; nor was there any debate when the Annual Report of

14 / See Sir William Haley, "Parliamentary Institutions and Broadcasting," *Parliamentary Affairs*, II, no. 2 (Spring 1949), p. 109.

15 / *Debates*, Feb. 16, 1938, p. 510.

the CBC was tabled. But in the years from 1932 to 1939 members had little difficulty finding opportunities for debate. Most issues that arose outside the House received a full airing in the Commons.

The parliamentary committees were by all odds the most satisfactory way for Parliament to receive information and make its wishes known. Although the CBC was not required to reveal details of business operations or of its board meetings, a substantial amount of information was forthcoming on other matters; and this was supplemented by information that committee members received privately. The appointment of committees, however, remained at the discretion of the government; it would have been better to provide for a standing committee since broadcasting was certain to remain a controversial matter, and the usual ministerial responsibility was lacking.

To the degree that the corporation developed and formulated public policy, it was important that its board represented the principal geographic regions, and that its members were not all known partisans. In fact the two most influential members of the first board, Brockington and Plaunt, were not identified with any party, and each had wide contacts and a variety of associations. Up to the beginning of the war, there was little complaint of any political favouritism either in CBC programs or in its recommendations for station licences. The Parliamentary Committee of 1939 reported that "the activities of the CBC have been free from any nature of partisanship whatsoever." To test an auxiliary method of contact with the public, the board appointed general advisory councils in the western provinces. It concluded that they did not work very well, and abandoned them early in 1940.¹⁶

The corporation tried to maintain a clear distinction between the policy function of the board, and the executive and administrative function of the general manager. This was in line with current theory about public corporations. Not only would internal administration be more efficient if the board of directors refrained from interfering in day-to-day operations, but also (in the words of an American political scientist):

In general, the endeavor should be to make the day-to-day administration of the corporation independent of the executive and the legislature. In matters of general policy ... the corporation must necessarily be subject to executive and legislative control. ... The requirement that government corporations shall furnish reports and information is one of policy. ... It would be desirable that those matters in which the corporation is to be subject to executive or legislative control should be very carefully defined in the act creating the

16 / Plaunt Papers, Minutes of the Fourteenth Meeting of the Board of Governors, April 15-16, 1940.

corporation, and all remaining matters left to the discretion of the directors. This would give the corporation a legal charter of freedom within the sphere of which it could manage its day-to-day administration as it saw best.¹⁷

So the theory. In 1936 criticisms of the Radio Commission were very much in people's minds. In Plaunt's words, "a set-up which, combining policy with executive functions, makes businesslike administration impossible, has resulted in a highly inadequate performance in all departments."

For the board to maintain control of policy and not allow it to slip into the hands of the general manager was not easy. The governors, all part-time, unpaid, and scattered throughout the country, met only about four times a year. They had a finance committee, but no executive committee, and the chairman was in Winnipeg rather than in Ottawa. The general manager often had to play the role of go-between for the board and the minister. Nevertheless, during the first three years, the board kept firm control of policy, and seldom transgressed into the general manager's field of administration and operations.¹⁸ This was possible only because Plaunt, living in Ottawa, was able to devote so much of his time to affairs of the corporation, and to put his knowledge and intelligence at the service of the board, while working closely and harmoniously with Brockington. Even so, Brockington's employers began to feel that he was devoting too much of his time and energies to broadcasting, and it was doubtful whether he could remain as chairman beyond his first term.¹⁹ And with the approach of war, there were signs that both the minister and the general manager wanted to see the policy control of the board relaxed. Indeed, under wartime conditions, many decisions would have to be made at short notice and at the administrative headquarters. It seemed as if the division between policy and administration might not last.

Nevertheless, since there had been three years of successful operation based on the differentiation between policy and executive functions, it was a distinction that prudence suggested should not be lightly abandoned.

17 / John Thurston, *Government Proprietary Corporations in the English-Speaking Countries* (Cambridge, Mass., 1937), p. 258.

18 / Perhaps the outstanding exception to the board's control was Gladstone Murray's on-the-spot announcement to the newspaper publishers that the corporation would limit its commercial revenues to \$500,000 a year.

19 / Plaunt Papers, letter from Plaunt to unnamed recipient who was close to the prime minister (probably Norman Lambert), Sept. 8, 1939.

12 CRACKS IN THE ORGANIZATION

IN THE SUMMER of 1939 Canadians were reasonably well satisfied with their broadcasting system. The CBC was exercising control in accordance with general standards set down by Parliament, yet the network was not operating as the official voice of the state and certainly not speaking for the government of the day. Canadians could have programs reflecting their own interests without sacrificing the popular entertainment from the United States. Service was being provided in two languages at reasonable cost. A working partnership had developed between the national authority and the owners of private stations. In the selection of programs for broadcast, two somewhat conflicting criteria had been advanced: a pattern that would be most attractive to advertisers, or one that would most fully meet the supposed national needs. But neither criterion was used exclusively: there seemed to be something for everyone. Would this measure of success mean that the broadcasting system was now entering a period of stability?

Central to this question was the maintenance of a firm policy by the CBC, and the ability of its management. This demanded a good working relationship between the board of governors and the general manager, each respecting the other's role.

1 *Plaunt's Alienation from Murray*

Late in 1938 Plaunt drafted a letter to Brockington to tell him that in future he wanted to limit his participation to "that of an ordinary member of the Board," and that he wanted time to spend on his other interests. According to Plaunt the CBC had these main tasks before it:

One is the acquisition of all further stations necessary to a really effective network, accompanied by the relegation of all stations not on the network to a purely local status and function, and the reduction of all private power to one kilowatt. This includes a short wave station. Another is the creation, by

a process of elimination and addition, of a really efficient organization. ... We are still operating with a third rate staff ... both on the administrative and the production side.¹

The CBC staff had grown considerably, but those in charge were mainly hold-overs from the Radio Commission, and from the private stations in Toronto that the CRBC had absorbed. Plaunt tried to introduce into the organization men with more intellectual interests and broader experience. Two notable additions to the staff were Edward Pickering in Ottawa and Ira Dilworth, who left the staff of UBC to become the CBC's regional representative in British Columbia. An attempt was made to recruit Lester B. Pearson from the high commissioner's office in London, but he and CBC management were never able to agree on an appropriate salary.

The general manager, knowing that the CBC had expanded rapidly, felt that a reorganization of staff was necessary, as well as the consolidation of offices and facilities in the two main network centres, Montreal and Toronto. Early in 1939 he initiated a staff and organizational survey. But the governors decided that they should have an outside opinion as well. The Finance Committee of the board considered hiring a firm of management consultants, but concluding that this would be too disruptive and might seem to challenge Murray's authority, instead asked Plaunt whether he would be willing to conduct a survey on behalf of the board. Plaunt was hesitant to undertake the assignment, but discussed the proposal with Murray, and studied the material which had been gathered in connection with Murray's own survey.² He reported to the board of governors on July 6, 1939, that he would be prepared to complete a survey that summer if he could receive the assistance of Mr. James C. Thompson, CA, a consultant on the staff of Clarkson, Gordon, Dilworth, and Nash in Montreal.³ The board unanimously requested him to proceed.

During July and August Plaunt and Thompson visited the national headquarters departments in Toronto, Montreal, and Ottawa, and also the regional headquarters and studios at Toronto, Montreal, Vancouver, Winnipeg, Halifax, and Quebec City. There was a possibility of a general election in the autumn, if war did not intervene, and the board of governors wanted to have the survey completed as soon as possible.

1 / Plaunt Papers, box 8, Plaunt to Brockington, Oct. 12, 1938. A later paragraph in the copy of the letter on file is stroked out, and it is not clear whether the letter was actually sent in this form.

2 / *Ibid.*, Plaunt to Brockington, June 29, 1939.

3 / Thompson for many years had been provincial auditor of Alberta, and he had just completed the financial studies of the Rowell-Sirois Commission.

Plaunt and Thompson wrote their reports for presentation to the next meeting of the board, which was expected to take place in September or October. Almost immediately after the board's July meeting, Murray and Brockington sailed for England, leaving Plaunt and Thompson to gather most of their material in the absence of the general manager. By the time Murray returned, Plaunt had decided that a drastic reorganization was needed, and he doubted whether Murray was the man to carry it out. Besides the matters mentioned in the reports, there were other reasons for the growing rift between the general manager and certain members of the board, particularly Brockington and Plaunt.

One of the issues was Murray's salary and allowances. He had never been satisfied with his initial salary of \$13,000 – only \$1000 more than that paid to the assistant general manager, Dr. Frigon. In 1937 the board granted him an allowance of \$1500 for entertainment "at base" – that is, entertainment that he could not claim with his travelling expenses. In March 1939, this allowance was increased to \$4800 a year; but the minister (C. D. Howe) apparently took exception to this, and in October of that year the board recommended that the government increase Murray's salary to \$15,000, with an allowance of \$200 a month. This recommendation was not acted upon, and Murray's salary remained at \$13,000, with an annual allowance of \$4800.⁴

In April 1939, Murray's salary was still at the old figure, and it appeared that his allowance would be reduced to \$200 a month. About this time, Murray submitted a claim for \$1003 to cover "special expenditures made for services in obtaining statistical and other information relative to CBC coverage and public reaction." Although no further details were given, the treasurer of the CBC authorized payment since it had been approved by the board of governors, or rather by the Finance Committee which reviewed such items. But the auditor general's department raised a question about the propriety of this payment and their query was passed on to Murray through Edward Pickering, his assistant. The claim was not withdrawn.

At the end of June, Murray submitted another claim for \$955, covering special expenditures in the period April 12 to June 28. The treasurer suggested that Murray reconsider whether these should be put through.⁵ Pickering discussed the matter with Murray, and the account was not resubmitted. Instead, at the board's meeting in July, Murray's annual

4 / Information on the recommendations in *1942 Proceedings*, pp. 535–6, 930, 940, 1027–8.

5 / Plaunt Papers, box 13, memorandum from CBC treasurer (H. Baldwin) to Pickering, July 13, 1939.

allowance at base was restored to \$4800, and his travelling allowance raised from \$10.00 to \$20.00 a day. Both increases were retroactive to April first.

Plaunt apparently did not know the details of these expense claims,⁶ but he knew that Brockington and members of the Finance Committee were questioning Murray's ability to manage the finances of the corporation. He also knew that a question had been raised in some minds about Murray's behaviour while explaining the corporation's position to George McCullagh in January 1939. (McCullagh maintained that Murray had expressed himself as "entirely out of sympathy with the action of Mr. Brockington" in denying McCullagh the use of a private network.)⁷

Another difference between Murray and Plaunt arose over the role Canada should play if war broke out in Europe, and the implications for CBC program policy. During the spring and summer of 1939, Plaunt made no secret of his view that Canada should stay out of a European war, if it came, but rather should seek a continental policy in harmony with the United States. He feared that armed intervention in Europe would render impossible the hope of creating a unified, democratic Canadian nation; and that North American intervention would hinder rather than help a genuine solution of the basic European problem. As war came nearer, he and Adrien Pouliot, a new member from Quebec of the board of governors, urged that the CBC should insist upon complete objectivity in the news and commentaries, to "avoid the impression of fashioning opinion before the meeting of parliament." The Canadian people, they felt, should hear American as well as British versions of the news.⁸

In fact, Plaunt was suspicious of the reasons that took Murray to England in July and August. When a newspaper report from Southampton quoted Murray as saying that he had arrived to confer with Lord Perth, head of the British propaganda department, and with the BBC, on the question of Empire broadcasting, Plaunt fired off a cable to Brockington protesting that this was leaving an unfortunate impression in Canada. Brockington replied that he had no arrangement for or intention of seeing Lord Perth.⁹

6 / After Pickering resigned from the CBC, he provided Plaunt with this information in a memorandum dated Oct. 10, 1939.

7 / 1939 *Proceedings*, p. 340.

8 / Plaunt Papers, box 9, telegram from Pouliot to Murray, Aug. 24, 1939, with copies to Lapointe, Morin, Frigon, and Plaunt; letter from Plaunt to Prime Minister King, Aug. 25, copy to Pouliot.

9 / CP dispatch, *Ottawa Journal*, July 14, 1939; cable, Plaunt to Brockington, July 14, with Brockington's reply, Plaunt Papers, box 9.

For his part, Murray had not been happy about the board's decision to make its own survey of CBC staff and organization. In June he had told Brockington that some unease was being expressed among staff that a "Liberal politically appointed board" would take the chance to "clear out all of the members of staff that had been appointed by a Conservative appointed radio commission."¹⁰ But before the Radio Committee in 1942, he said that his chief complaint was that he had not been adequately consulted:

I was content to allow others to study problems of organization while the staff got on with the job. I did hope, however, to have at some state a reasonable opportunity of discussion with Mr. Thompson and Mr. Plaunt. Careful examination of the record establishes the fact that this opportunity was limited to conversation at luncheon one day in June, 1939. ...

I understood that the investigations were continuing. I had to go to England on urgent business, not the least part of which was concerned with co-ordinating plans for eventualities then envisaged. I was given no further opportunity of consultation or discussion on the recommendations of either of the reports now under review.¹¹

With the outbreak of war, other events took place which hardened Plaunt's opposition to Murray's conduct of the corporation, and which made him determined that the board should give full and early consideration to the question of whether he should be replaced.

2 *Eclipse of the Board of Governors*

When war broke out in Europe at the beginning of September, a number of special considerations made it likely that the authority of the CBC board of governors would be wiped out or drastically reduced. It was certain that the government would need the power of censorship as soon as Canada entered the war, and this would necessitate a closer working relationship between CBC management and government departments. The minister through whom the CBC reported, Mr. Howe, was also the minister who would direct war production; he would want to have a more personal responsibility for broadcasting policy.

For his part, Gladstone Murray probably welcomed a closer relationship with government – for patriotic reasons, for greater clarity and simplicity in administering the broadcasting system, and also because of his recent relationships with key members of the board of governors,

¹⁰ / 1942 *Proceedings*, letter from Brockington to Murray, June 7, 1939, pp. 1077–8.

¹¹ / *Ibid.*, pp. 502, 504; evidence of Murray.

especially Plaunt and Brockington. Murray, just returned from an overseas visit, knew that in Britain there had been talk of abolishing the BBC board of governors entirely in wartime. In 1936 the Ullswater Committee (Clement Attlee dissenting) had “recognized” that in “serious or national emergencies ... full governmental control would be necessary.” The committee added that when such authority over the BBC was decided upon, an announcement should be made as soon as possible, and “the action taken should at once be reported to Parliament.” Shortly afterward, the British government decided that the new Ministry of Information would be responsible for censorship control of BBC programs in wartime, and that the board of governors would disappear. The director general and the deputy director general would become the sole governors with the titles of chairman and vice-chairman of the BBC. But by August 1939, the idea of abolishing the board of governors altogether had been abandoned; censorship was to be undertaken by the director general in close liaison with the press division of the Ministry of Information.¹²

Murray explained to the Parliamentary Committee on Broadcasting in 1942 that at the outbreak of war, Howe asked him for an account of what was being done in England:

I was able to tell him. ... In the United Kingdom the normal operation of the Board of Governors of the BBC was suspended. ... The Board of Governors of seven was reduced to a board of two – that is, the chairman and vice-chairman – who identified themselves with the day-to-day working of the corporation, acting under direct instructions from the government. After this ... [in 1941] the full board of the British Broadcasting Corporation was restored, but the spoken word part of British broadcasting became the direct concern of the Ministry of Information, the British Broadcasting Corporation’s independent activities being concentrated on entertainment. In Canada there has been no parallel change; although it might be argued that in practice, for a few weeks after the impact of the war, the management dealt directly with the government.¹³

When M. J. Coldwell asked whether the CBC governors had been notified then of the “possibility of the abrogation of the board during the war,” Murray replied that there was no formal notification, but that he had had “conversations with individual governors.”

In reality, there was a sharp difference of opinion between Brockington and Howe on the wartime functions of the board of governors, but

12 / Briggs, *The Golden Age of Wireless*, pp. 625, 650.

13 / 1942 *Proceedings*, pp. 724–5. Other observers emphasize that the BBC continued, in very considerable degree, to be “independent” throughout the war. See Maurice Gorham, *Broadcasting and Television since 1900* (London, 1952), pp. 182–5.

this was not fully revealed to the Parliamentary Committee of 1942. Brockington had asked Murray to call a meeting of the board of governors for September 6. Howe told Murray that he would be unavailable to meet with the governors on that day, and asked that the meeting be postponed. Murray then sent Brockington the following telegram: "After wiring governors your message, I was informed by minister he did not want a date set for board meeting. What shall I do? Should I wire governors saying stand by for later date to be notified soon as possible? Regards."¹⁴

Instead of a full meeting of the board, the finance committee met with Howe on September 8 – Morin, Nathanson, Odlum and Brockington, *ex officio*. On September 11, Brockington wrote Howe, recording his understanding of what Howe had told them: that the government's wishes were that "the functions of the Board of Governors be carried on until further notice by an Executive Committee of the Board who would act as a sort of liaison body between the Government and the Corporation." The executive would consist of the chairman of the board, the vice-chairman (Morin), Gen. Odlum, and Mr. Nathanson. The board of governors would remain in an advisory capacity. Brockington gave assurance that a by-law to this effect would be drawn up.¹⁵

On the same day that Howe met with the Finance Committee, Plaunt wrote a note to an unnamed confidant close to the prime minister, discussing the results of the meeting. He reported that Howe had been very annoyed by a telegram Brockington had sent King, presumably letting the prime minister know that the board had been by-passed. Plaunt expressed himself as reasonably satisfied with the decision that an executive committee should act for the whole board during the war, but he obviously resented Howe's attitude. Howe had suggested that one reason for removing authority from the full board was that certain members, particularly Pouliot and Plaunt, "were likely to be difficult." Plaunt thought his views on Canadian external policy were being used against him, perhaps as a method of sidetracking the reports on CBC organization that he and Thompson had almost completed.

Plaunt expressed concern for Brockington's future; he urged that Brockington must continue as chairman after his term expired on November 2. Further, Brockington should be given a position in Ottawa; his employers in Winnipeg were about to dispense with his services. Could not the government use him in a Ministry of Information? With

14 / 1942 *Proceedings*, pp. 497–8. Murray quoted from "Memorandum of Interview with the Minister, Mr. C. D. Howe, Friday, September 1, 1939."

15 / King Papers, Brockington to Howe, Sept. 11, 1939.

his extraordinary appreciation of the points of view of both new Canadians and the French Canadians, Brockington could do "a very great deal to minimize racial discontents."¹⁶ The next day the prime minister talked to Brockington about his becoming head of a Bureau of Information. J. W. Pickersgill records that "this appointment was not made because of opposition from his colleagues"¹⁷ – of whom Howe must have been one.

A few days later, Howe replied to Brockington's letter of the eleventh – and did some backtracking. He said that the Executive Committee had not been his suggestion, but Brockington's; that he had favoured it because it was necessary that finance be tightly controlled, "without bringing together those interested primarily in broadcasting policy." With the outbreak of war, it had seemed obvious that changes in the relationship between the board and the government were necessary, particularly in view of the establishment of censorship of all radio broadcasting. (On September 4 the government had appointed Walter Thompson as chairman of the seven-member Censorship Committee.) But since then, "the situation has returned more nearly to normal. The policy of what may and may not be broadcast, of which the Censorship Committee must be the sole judge, has been clearly defined." Howe had changed his mind; he now saw no reason to establish an executive committee by order in council. He saw no need for an early meeting of the board of governors, but thought one could be held as usual later in the year.¹⁸ His explanation was hardly convincing; it is likely that the prime minister intervened to maintain the authority of the board of governors.

Brockington had already decided that he must give up the chairmanship of the CBC. In a letter to the prime minister, he expressed the hope that, subject to the necessary wartime restrictions, "national radio may be allowed to function freely as it has done in the past." The full board of governors should have "some opportunity to ensure the presentation of a truly national viewpoint." He strongly recommended Alan Plaunt as his successor:

Since the formation of the present Board, he has worked tirelessly for the realization of the principles underlining the Aird Report and the present Broadcasting Act. ... I should add, also, that being a Canadian of mixed French and Scottish origins, with a good working knowledge of the French language, he has been able perhaps better than any of us to appreciate the character and aspirations of the divers elements of our country. He is most

16 / Plaunt Papers; letter dated Sept. 8, 1939.

17 / J. W. Pickersgill, *The Mackenzie King Record*, vol. 1, 1939–1944 (Toronto, 1960), p. 31.

18 / Plaunt Papers, box 12, Howe to Brockington, Sept. 13, 1939.

highly regarded by the people of Quebec and by the farmers of the west. If I were to assess the contribution made by individuals to national radio, I would place his consistent and untiring effort easily first.

Brockington added that, if for any reason Plaunt's appointment was impractical, he hoped that Plaunt would be requested to serve on the Executive Committee. "His presence will be a bulwark against some very real dangers."¹⁹

Brockington's formal letter to the government announcing his retirement from the board of governors went forward five weeks later. In reply, King wrote: "The concern which has been shown by yourself and your colleagues on the Board of Governors for the preservation of broadcasting to the public domain, in defence of freedom of speech and equality before the microphone, and the genuine appreciation of the many aspects of our national life of which the actual broadcasting activities have given evidence have, we believe, laid a firm foundation on which to erect a national radio which will at once contribute to and reflect our national development."²⁰

Brockington met with the board of governors on October 16 and 17, at which time his retirement was announced. Plaunt had fallen ill and was unable to attend. A week later, Brockington wrote him about Howe's present attitude:

The Minister came over to the meeting after I had given an outline of the manner in which responsibility had been taken away from us and assumed by others. Whether on account of the editorial in the Free Press or because of my impending retirement, or for other causes which might be more creditable, he showed a sweet reasonableness, and expressed a desire that the Board of Governors should function in accordance with their statutory duties in future. The General Manager was not present during the greater part of the meeting, nor did I see him before I left. ...

I hope that new circumstances, particularly the Minister's intention to allow the Board to function, will induce you to continue as a Governor. Whatever you do, however, do not let public worries impair your private health.²¹

Brockington's formal association with the CBC came to an end at the beginning of November. He soon joined Prime Minister King's personal staff but was not entirely happy with the appointment. In 1942 he went to England as an adviser to Brendan Bracken, minister of information. He was not asked to testify before the Parliamentary Committee of that year. When his retirement from the CBC became known,

19 / *Ibid.*, Brockington to King, Sept. 13, 1939.

20 / *Ibid.*, King to Brockington, Oct. 17, 1939.

21 / Plaunt Papers, box 9, Brockington to Plaunt, Oct. 25, 1939.

the press paid tribute to him: "Brockington Did a Fine Job" (*Ottawa Journal*, October 19, 1939); "The record of his achievements ... from 1936 to 1939, is a remarkable one" (*Winnipeg Free Press*). But the *Toronto Globe and Mail* had not relented: "As chairman of the Broadcasting Corporation he sought to eclipse the General Manager. ... Not only this, but he so disregarded the Government which appointed him that he showed no semblance of loyalty to the Minister to whom he was responsible. ... Mr. King has chosen a man who has gone out of his way to show disrespect to one of the most valuable members of this Cabinet, Hon. C. D. Howe. His appointment is an insult to the Minister of Transport."²²

Most newspapers had not noticed the attempt to reduce the power of the CBC Board of Governors, not even the *Toronto Telegram* which nine months earlier (on January 17) had called the CBC "the servile creature of the King Government." Only the *Winnipeg Free Press* seemed to get wind of the scuffling behind the scenes. On October 12 it wrote that since the outbreak of war the board of governors had been effectively set aside and that there was no legal basis for this. A week later, it declared that under Brockington, the CBC had won strong public support, but the *Free Press* was apprehensive about the future because "opposing interests have not yet abandoned their designs and ambitions." These interests "saw in the rise of public radio a threat to their pocket-books."

The authority of the board was saved, but Brockington was off it. Plaunt's term as governor was not to expire for another year, but his illness meant that for weeks at a time he could not take an active part. Nevertheless, he was still determined that the report he and Thompson had prepared should receive the board's attention.

3 *Open Conflict between Plaunt and Murray*

The mutual suspicion between Plaunt and Murray came into the open at the outbreak of war. Plaunt thought that Murray was using it as an occasion to work directly with the minister of transport, to evade the policy and supervising function of the board of governors, and to sidetrack the reports that he and Thompson were preparing. Murray thought that Plaunt wanted to use the broadcasting system to propagate his own ideas on Canada's role during the hostilities, and indeed to carry on public debates over the air before Parliament met. On September 4

22 / *Globe and Mail*, "Why Mr. Brockington?" Dec. 23, 1939.

Plaunt made a telephone call from Montreal (in Pickering's words) "to inquire how the situation was going." Plaunt referred to the special measures being taken by the CBC, and said he thought the board should remain in control of broadcasting until its legal position was changed by amendment to the act or by order in council, and until those changes were made, management should take direction from the board. He also questioned the ruling that Canadian stations should no longer carry news or commentators originating in the United States. He said in Montreal this was causing listeners to switch to American stations where they frequently got the news faster. These suggestions were intended for Murray. Pickering explained to the Parliamentary Committee in 1942 that on a few occasions when Plaunt was unable to reach Murray he would speak to Pickering who would pass on the message.²³

Murray responded with a letter to Plaunt objecting to his "un-measured strictures." Plaunt met Murray to refute the charges that he was un-British or pro-American and pacifist; as a result of the meeting, Murray agreed to destroy all correspondence arising out of the affair.²⁴ But Pickering felt that he no longer had Murray's confidence, and submitted his resignation on September 8. The resignation was not immediately accepted, but it finally took effect on October 2.

In spite of the correspondence having been destroyed, Plaunt still felt that his position was misunderstood, and that Howe in particular had been given a wrong impression. Murray therefore addressed a letter to Howe to set the record straight, and sent a copy to Plaunt:

Confirming what I have already told you, your informant was inaccurate in stating that Mr. Plaunt had proposed a debate or discussion with a view to influencing the proceedings of Parliament in the present emergency. Mr. Plaunt's position remains consistent. He has his own views about the Imperial relationship and the homogeneity of North America. In normal times it was only natural and right that he should safeguard the proper expression of these views through the CBC. When however war was apprehended or declared, Mr. Plaunt was ready to drop all predilections in order to join in the national effort.

That he was engaged in a "sinister conspiracy against Mr. Alan Plaunt" Murray denied categorically: "In point of fact I have a real admiration for Mr. Plaunt as a young Canadian of definite views and integrity and loyalty. My problem with Mr. Plaunt is in terms of his distance from actuality; his remoteness from the tempo of this radio business, his

23 / *1942 Proceedings*, pp. 933-4.

24 / Plaunt Papers, box 13, Pickering's Memorandum of Interview with the General Manager, Sept. 18, 1939; also his Oct. 10 memorandum to Plaunt.

inclination to reach conclusions on unsound or incomplete data.” As evidence of his goodwill, Murray recalled that he had advised Howe to reappoint Plaunt for a second term as a CBC governor.²⁵ (This must have been in November 1937. Initially, Plaunt had been appointed for a term of one year; his second term was for three years.)

According to Murray in 1939, Plaunt did not seek to use the radio to propagate his own views about the war. But in 1942 he implied that such a desire had been expressed, although he did not name Plaunt specifically:

Some of the most vociferous advocates of the use of radio for controversy, and for what they call free speech in war time, turn out to be less interested in attaining free and fair debate than in getting across their own ideas; whether consciously or unconsciously, they would misuse the national radio, turning it into a vehicle of sectional propaganda. In the week during which Canada was at peace while Britain was at war, there was criticism of the BBC news service on the ground that this was a violation of neutrality. Some went further, advocating that, in advance of the meeting of Parliament, there should be staged controversial radio debates on whether or not we should go to war alongside Britain. Such counsels were resisted, and no attempt was permitted to stampede public opinion or to usurp the functions of parliament by the misuse of the national radio.²⁶

It was in this atmosphere of mutual distrust and suspicion that the Plaunt-Thompson reports came to the board for consideration at its meeting of October 16–17, 1939.

4 *The Plaunt-Thompson Reports*

Thompson reported on the structural organization and financial administration of the CBC, Plaunt on its internal organization and personnel. On the eve of the board meeting, Plaunt took ill and was not able to present his report in person. Thompson appeared before the board to explain his report, but no reference to him appears in the minutes of that meeting. The board discussed the two reports, but (according to the minutes) decided only to refer them to the general manager and the assistant general manager for study.²⁷ There were, however, several

25 / *Ibid.*, box 12, Murray to Howe, Sept. 14, 1939.

26 / 1942 *Proceedings*, p. 175. After his resignation from the CBC in 1943, Murray intensified his charges, but still did not name names. In *Macleans Magazine* of June 15, 1943, he spoke of efforts to prevent the airing of BBC news bulletins, and to stampede or confuse public opinion by organizing nationwide radio debates. In a speech to the Empire Club of Toronto in October, he said he had detected and defeated this “conspiracy.”

27 / 1942 *Proceedings*, p. 521, Minutes of the Twelfth Meeting of the Board of Governors, Oct. 16–17, 1939.

sessions in camera when no minutes were kept; during one of these the board met with the minister of transport, and presumably received his assurance that the governors were to continue exercising their statutory responsibilities.

Thompson's report recommended that all administrative and executive departments be centralized either at Montreal or Toronto (Plaunt favoured Montreal), and that only a legal head office remain in Ottawa. The effect of this would be to have the general manager and the assistant general manager in one city, rather than one being in Ottawa and the other in Montreal. The assistant general manager would then be expected to take part in the administration of all departments and activities, and not to be so exclusively concerned with the French Network or with particular departments such as engineering. Thompson made certain recommendations about the system of accounting, and said that the treasurer should have the enlarged responsibilities of financial controller. A revised plan of administration was submitted. Staff relationships should be more clearly defined, and the basis of remuneration reviewed.²⁸

Plaunt reported that fixed charges were threatening to take too much of the available budget, at the expense of programs. Until more revenue was in sight, capital expenditure should be curtailed and more money spent on production. Restaffing was necessary; Plaunt had it from "reliable sources" that it had been virtually impossible to dismiss anyone in the program department, "however incompetent." More specialization among program staff was necessary; good producers were being wasted as "mediocre administrators." The French Network needed a greater share of the program budget. The corporation had to put more effort into the discovery and development of new program talent, particularly in the regions. More attention had to be paid to methods of recruitment for all personnel. It appeared to Plaunt that many appointments had been made by the chief executive based on "insufficient or irrelevant considerations." And no serious attempt had been made at a periodic review of either the new or the old staff. Indeed, the capable and conscientious employees had been discouraged to find "demonstrably incompetent persons retained." Plaunt concluded: "If one looks for the causes of this situation – which I do not wish to exaggerate – one is ultimately obliged to conclude that it lies in the inability of the General Manager to take firm action in this regard. Whatever the reasons, the results are a deteriorating morale and a sense of discouragement in a type of business which requires, above all things, flexibility, initiative, new ideas and vitality." He insisted that the two reports indicated "the

28 / *Ibid.*, pp. 575–601, "Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation."

changes which are required if the corporation is to render its maximum service in the war emergency – indeed if it is not to break down due to serious internal deficiencies – and its long-term requirements if it is to survive and develop as an important national institution.”²⁹

The Plaunt-Thompson Reports were considered again at a meeting of the Finance Committee on November 17. Brockington was no longer with the board; its principal members were now René Morin (as acting chairman of the board) and N. L. Nathanson, Howe’s special confidant, who a year later was to succeed Morin as vice-chairman of the board and chairman of the Finance Committee. At its meeting in November, the Finance Committee took one minor step recommended by the Thompson report by placing the accounting system on an accrual basis. More important, the committee sanctioned an arrangement splitting the functions of the general manager and the assistant general manager – entirely contrary to the spirit of the Plaunt-Thompson proposals. The general manager delegated authority to the assistant general manager for engineering, budget, expenditures, and the Treasury and commercial departments, as well as for all operations in the province of Quebec.³⁰

The next meeting of the board of governors was called for January 22, 1940. Plaunt had undergone a major operation, and his doctor advised him not to attend the meeting. In advance of it, he wrote Morin urging that the board in an over-all sense accept or reject the reports, that the decision be taken without delay, and that it be recorded by that very meeting. His own future in relation to the board, he said, necessarily hinged upon the decision. He reiterated that his investigation made it impossible for him to retain confidence in the present executive direction of the corporation, nor did he think an adequate reorganization could be carried out by the existing management.³¹

Whatever the tenor of the discussion of the Plaunt Report in the meeting of January 22, there was no reference to it in the minutes.³² On the following day, Morin wrote Plaunt that he had communicated his letter to the other members of the board at a meeting held *in camera*. At the previous meeting in October, “all the members of the board, after a summary perusal of these reports, expressed their high satisfaction at them.” He said that the Finance Committee had had effected some improvements in financial control, and that at the next meeting of the board Plaunt’s report might be implemented more fully. He concluded,

29 / *Ibid.*, pp. 602–9, “Report on the Organization and Personnel of the Canadian Broadcasting Corporation,” dated Sept. 30, 1939.

30 / *Ibid.*, p. 155.

31 / *Ibid.*, pp. 149–52; letter from Plaunt to Morin, Jan. 20, 1940, placed on record by Claxton.

32 / *Ibid.*, p. 523.

“You know too well how the board functions to expect that such important recommendations as those which you make will all be acted upon through decisions of a radical character abruptly taken.”

Plaunt replied on January 27. He congratulated Morin on having been appointed chairman of the board, and said he thought the appointment could be taken as an indication that the government intended the corporation to function in an independent way. He noted Morin’s assurance that the Plaunt-Thompson Reports would be acted upon at the next meeting.³³

Plaunt was able to attend the next meeting on April 15 and 16. One new member was present – James S. Thomson, president of the University of Saskatchewan, who had been appointed to take the place of Brockington. The minutes record the action taken on Plaunt’s report: “Mr. Plaunt then briefly outlined the facts leading up to his investigation. ... The board agreed that a committee should be formed composed of the Chairman, Messrs. Nathanson, Godfrey and Plaunt to discuss both the reports of Messrs. Thompson and Plaunt and to bring in a final report for the next meeting of the Board.”³⁴

A special meeting of the board was called for June 1 to consider the question of sponsored newscasts. A meeting of the Finance Committee was scheduled for the same date at which (the Secretary wrote Plaunt) both reports would be discussed. But the meeting of the Finance Committee was postponed because the minister requested consideration of the Canadian Press application “to obtain the monopoly of the news broadcasts in Canada.” Plaunt regarded these as “Mr. Murray’s moves to forestall effective consideration of the Reports.”³⁵

A meeting of the Finance Committee to discuss the reports was next set for July 6; but that arrangement was cancelled when another special meeting of the board was called for June 27, to deal with protests about private station newscasts based on the Transradio News service of the United States. Plaunt was present at this board meeting, and at Morin’s urging took part in meetings of a committee on July 17 and 18 to draw up a plan under which the CBC would establish its own news service, and the preparation of its own news bulletins. A full meeting of the board was called for August 19–20; the committee to consider Plaunt’s report had still not met. In advance of the August meeting Plaunt sent a telegram to Morin protesting that insufficient time had been allowed for

33 / *Ibid.*, pp. 153–4.

34 / *Ibid.*, p. 524.

35 / Plaunt Papers, box 9, Manson to Plaunt, May 21; Plaunt to Morin, May 29; Morin to Plaunt, May 30, 1940.

discussion of the report on reorganization. At the meeting itself: "Mr. Plaunt drew to the Board's attention the fact that the Committee named at the April meeting ... had not, in fact, met. ... He said he wished to make his position clear to the Board as a whole. The Chairman pointed out that the matter was still in the hands of the committee, but that there seemed to be no reason why it should not be dealt with at the next meeting."³⁶

The next meeting was likely to be toward the end of the year, and Plaunt's term expired on November 2, 1940. Plaunt thought the matter over and decided that, for whatever reason, the board was determined to evade making a decision on the recommendations in his report. Without consulting even his closest friends, he submitted his resignation on August 30, assuming that this would force the issue into the open.³⁷

5 Plaunt's Resignation

Plaunt addressed his resignation to Howe, sending a copy to the prime minister.

I feel that, as a public trustee, I should not continue to accept responsibility for the internal organization and executive direction of the Corporation when I have long ceased to have confidence in it.

I do not mean to suggest that I consider the general framework of the Broadcasting Act inadequate. On the contrary, it is generally agreed that the Act provides an admirable framework for the development of a non-partisan, business-like, and effective system of national broadcasting.

I would have taken this step early in the year had not my colleagues given me some reasons to hope that the serious defects revealed by the reports prepared, at their unanimous request, by Mr. J. C. Thompson, C.A., and myself would be remedied. I have, however, finally been obliged to conclude that such is not the case.

In his letter to King, Plaunt asked that when the government had accepted his resignation, a brief announcement be given to Canadian Press.³⁸

A much longer letter was sent to René Morin. In it Plaunt reviewed the circumstances leading up to the preparation of the reports, the

36 / *1942 Proceedings*, p. 525.

37 / Plaunt Papers, box 10, Plaunt to Claxton, Sept. 20, 1940: "You will no doubt be wondering why I did not talk this matter over with you before taking action. The answer is that, advisedly, I discussed it with no one, not even with Norman Lambert. This is one field which I understand sufficiently to take decisions in this way."

38 / *1942 Proceedings*, pp. 123-4; letters dated Aug. 30, 1940.

successive deferments of action by the board, and its decisions contrary to the recommendations of Plaunt and Thompson. For example, the Finance Committee had authorized the finding of new space in Toronto for various headquarters departments, disregarding the recommendation for centralization in one city. Organizational defects were still hampering the proper functioning of the CBC, preventing it from acting as the unifying agency it should be. Without firm direction, the CBC would not survive or develop as the sort of national institution envisaged by Parliament. The CBC should handle distribution of all US network programs. As it was, CBS programs were being heard over private stations affiliated to that network. Moreover, there was a danger that the CBC would lose *de facto* control of networks:

As the national network authority, the Corporation's policy thus far has been to control this growing volume of commercial offerings in such a way as to protect the national network and so far as possible to provide the listener with contrasting alternative programs.

The desire of certain private broadcasters, however, is to bring about the establishment of a private network, which would compete directly with the national network and which would, they doubtless hope, ultimately undermine it. Even though such a proposition runs demonstrably counter to the national interest, I suggest that the danger from these quarters is still very considerable.

To meet an increasing demand for network facilities, the corporation might have to arrange an alternative hook-up and to own the key stations of such a network in Toronto and Montreal, making sure that these alternative facilities are under the corporation's day-to-day control.

Plaunt reviewed several decisions that he felt ran counter to the original conception expressed by Parliament. The provisions of the White Paper on party broadcasts had been set aside before the election of 1940, until the parties themselves protested. And too much tenderness was being shown in a "desire to meet the selfish views of the private stations." Plaunt concluded by stating that he was resigning to emphasize the need for decisive action.³⁹

Howe sent an interim acknowledgment on September 5:

While I heard rumours to the effect that you are not in agreement with your colleagues on the Board on matters of administration, I had no idea that you felt so strongly on the matter as your letter now indicates.

Under the circumstances I have no option but to recommend to my colleagues the acceptance of your resignation, which I will do within the next few days.⁴⁰

39 / *Ibid.*, pp. 125–32.

40 / Plaunt Papers, box 10, Howe to Plaunt, Sept. 5, 1940.

The days went by, and Plaunt wrote Howe again on September 18 asking him to proceed in the matter. Howe replied the next day saying that a recommendation had that day been sent to council. Four weeks later Plaunt had still not heard whether his resignation had been accepted. He feared that the minister was merely allowing his term to run out (at the beginning of November), making it more difficult for Plaunt to stir up a public issue. On October 17, Plaunt sent J. W. Dafoe a copy of his letter of resignation, giving him permission to use the letter in any way he wished. Dafoe replied: "This is a matter calling for some careful consideration, and it may be a few days before I can write you in detail as to what the Free Press thinks should be done under the circumstances. We are also awaiting the return from Ottawa of Mr. Victor Sifton, who will be interested in the matter."⁴¹ The *Winnipeg Free Press* on October 23 reported his resignation and released the text of his letter of August 30 to Howe. Information given later to the House of Commons showed that the order in council accepting the resignation had been passed on October 3, but it was not explained why word of this had not reached Plaunt or anyone else.⁴²

6 Attempts to Shore Up the CBC

Morin acknowledged Plaunt's letter on September 5. He was surprised at Plaunt's action since at the recent meeting of the board nothing in Plaunt's attitude had indicated that he had resignation in mind. Morin's letter continued:

I do not see that so far anything has occurred to seriously hamper the corporation from fulfilling its function properly, although I understand that, holding a different view, it was proper for you to sever your connection with it. ...

Your decision may reflect on the Board which I preside (*sic*) but your sincerity cannot be doubted and ... it will not affect ... my regard for you.

James Thomson, the newest member of the board, responded differently: "I deplore this action on your part. ... The place to fight for your views is from within. I, myself, am so strongly sympathetic with these views, so far as I am able to understand them fully, that I fear I shall have to do a good deal of solitary fighting in the position which you are about to vacate."

Claxton was doubtful of the tactical value of Plaunt's resignation. He wrote: "If that was your conviction, then I don't think you had any

41 / *Ibid.*, Dafoe to Plaunt, Oct. 18, 1940.

42 / House of Commons, Sessional Paper 124; *Debates*, Nov. 20, 1940, p. 255.

choice. On the other hand, I have never thought much of resignation as a means of influencing public policy unless the resignation came about in high dramatic circumstances which permitted wide publicization and was on an issue which engaged not only public attention but also wide public sympathy and concern."⁴³

A month later, when Plaunt's resignation was announced in the press, Morin told reporters there was no justification for it. Several of Plaunt's recommendations had already been acted on, and "on a motion of Mr. Plaunt himself, the remainder were left over for the next meeting of the governors. However, Mr. Plaunt resigned about a month before the meeting."⁴⁴ Plaunt wrote Morin that this was not accurate, although he was not issuing a public correction. Morin replied that the press report had been based on a telephone call, at night, and that the statement would have been more accurate if he had written it himself.⁴⁵ Morin explained later that when the Plaunt-Thompson Report was first received (in October 1939), the board "gathered the general idea of the report and found that there was nothing which required urgent action." Later, it had decided to take action on two recommendations regarding accounting procedures, but not to take action on the centralization of CBC headquarters in either Montreal or Toronto. They had all agreed that the recommendation was a sound one, but felt that action should be postponed until after the war.⁴⁶

Nathanson told the Radio Committee in 1942 that there was nothing in the Plaunt-Thompson Reports that would "suggest that something was happening in the interior management of the corporation that was not right." Questioned on the statement about deteriorating morale, Nathanson said that was only Plaunt's opinion. "The board read his report and as a result some of the board apparently didn't agree with Mr. Plaunt." The real trouble was "some disagreement" Plaunt had with the general manager. "There seemed to be some opposition on his part to the management for reasons that we could not understand. I think perhaps there were some things he wanted to bring to our attention that were not in his report."⁴⁷ Morin admitted, however, that Plaunt had had discussions on these matters with individual members of the board.

43 / Plaunt Papers, box 10, Thomson to Plaunt, Sept. 16; Claxton to Plaunt, Sept. 21, 1940.

44 / *1942 Proceedings*, p. 121; Canadian Press dispatch of Oct. 23, 1940, read by Claxton.

45 / Plaunt Papers, box 10, Plaunt to Morin, Nov. 2; Morin to Plaunt, Nov. 5, 1940.

46 / *1942 Proceedings*, pp. 71-3.

47 / *Ibid.*, pp. 783-5.

Parliament met in November 1940, and M. J. Coldwell of the CCF immediately asked for a parliamentary investigation of Plaunt's charges; in this he was supported by Gordon Graydon and John Diefenbaker, speaking for the Conservatives.⁴⁸ Outside the House Howe said there was no need for an investigation. A Conservative member asked for the tabling of all the correspondence surrounding Plaunt's resignation; these letters and the Plaunt-Thompson Reports were made public early in December.⁴⁹

The board met in Ottawa on November 26. Just before this, Donald Buchanan, supervisor of public affairs broadcasts, submitted his resignation to Gladstone Murray, charging deterioration in programs, too much yielding to pressure from outside groups and individuals, an illiberal attitude toward broadcasting in wartime on the part of the general manager, and lack of definition in program objectives and policy.⁵⁰ The board, however, decided unanimously to declare its full confidence in the General Manager, and to deplore the publicity given in the press on Plaunt's retirement, "concerning matters which it believes are those of internal policy solely for consideration by the Board as a whole." Morin was authorized to write Howe explaining the consideration that had been given to the Plaunt-Thompson Reports to date.⁵¹

Plaunt called the board's statement an attempt to whitewash the whole matter. He repeated that he was fully prepared to substantiate the grounds for his resignation before a parliamentary committee.⁵² In the House of Commons, the opposition renewed its demand for an inquiry. On March 12, 1941, Howe replied that "in a war session I do not think the affairs of the Canadian Broadcasting Corporation are sufficiently complicated to warrant the appointment of a committee this year."⁵³

Within two months of the board's declaring full confidence in CBC management, a decision was being taken that the governors must tighten their control, and that more of Murray's authority should be removed from him. On February 25, the auditor general addressed a letter to Howe, questioning the board's power to grant the general manager an expense allowance of \$4800 a year "at the base of operations." The question was raised in view of the fact that the Broadcasting Act gave

48 / *Debates*, 1941, Coldwell, pp. 64-5 (Nov. 12, 1940); Graydon, p. 107, and Diefenbaker, p. 225 (Nov. 14).

49 / Sessional Paper 124A, Dec. 6, 1940.

50 / Letter dated Nov. 23, 1940; quoted in *1942 Proceedings*, pp. 135-8.

51 / *Ibid.*, pp. 134 and 525; pp. 50-1, letter from Morin to Howe, Nov. 26, 1940.

52 / *Ibid.*, p. 134.

53 / *Debates*, 1941, p. 1460.

the governor in council power to set his remuneration. The auditor general also reported that the *per diem* travelling allowance of \$20.00 for the general manager had apparently “been selected by himself as being commensurate with his disbursements.”⁵⁴

According to the version Plaunt had from “N.P.L.” (Norman Lambert), when Howe returned from England and was shown the auditor general’s memo and an account of Murray’s expenses, he refused to see Murray about this himself, “getting Nathanson to act for him, as usual.”⁵⁵

In April 1941, the method of paying Murray’s expenses was changed. His base allowance was changed from \$4800 to \$3000, and his travel-expense allowances were to cover actual expenditures and not to be set at a rate of \$20.00 a day. More important, the chairman of the board (no doubt at Howe’s urging) decided to pass new by-laws providing for an executive committee and a controller of finance, and effectively limiting the powers of the general manager to programs and “policies and relations of the corporation with the press and the public.” Morin later explained that the new by-laws were the result of lack of confidence in the general manager’s “business ability in financial matters.”⁵⁶

Claxton was asked by Morin for his advice in early March. Claxton had drafted the earlier by-laws; now he was a member of parliament, and he told Morin that he should not charge for any services he rendered the CBC. Claxton also said that he thought the whole scheme fundamentally wrong, “as it did not face up to the difficulties of the situation and it involved a serious departure from the principles of sound administration as well as fundamental changes in the structure of the CBC itself. ... However the Government has decided otherwise and we can watch and see what the result will be.”⁵⁷ The new by-laws were passed on March 24, and approved by order in council on April 29, 1941.

The board never proceeded with the appointment of an executive committee – it was waiting for the government to appoint an Ottawa resident to the board in Plaunt’s place – but it did appoint Frigon as controller of finance while he continued as assistant general manager. The new by-laws were so worded that Frigon would report directly to the board in the exercise of his increased responsibilities. Frigon was asked to transfer his base of operations from Montreal to Ottawa. To

54 / 1942 *Proceedings*, pp. 73–4, letter from Watson Sellar to Howe, Feb. 25, 1941. T. A. Crerar told Grant Dexter that the Cabinet was “deeply shocked” by Sellar’s revelations; Dafoe Papers, Dexter to Dafoe, May 20, 1941.

55 / Plaunt Papers, box 10, note made by Plaunt, April 4, 1941.

56 / 1942 *Proceedings*, pp. 535, 102, 94.

57 / Plaunt Papers, box 10, Claxton to Morin, April 16, 1941.

Claxton and Plaunt it looked like the old "divided control" against which they had railed during the time of the Radio Commission.

In and outside Parliament, the agitation for a review of CBC affairs by a parliamentary committee continued. The most damning articles appeared in four successive numbers of the *Canadian Forum* (February to May, 1941) – three articles by "V. R. Hill," and a concluding article (unsigned) in which the editor, Eleanor Godfrey, drew upon material provided by Plaunt. In the Commons, Gordon Graydon and especially M. J. Coldwell were active in pressing for information – about the allocation of channels, changes in policy regarding political and controversial broadcasting, the refusal to bargain with employee unions, the status of the assistant general manager, and the division of management.⁵⁸

The Canadian Association of Broadcasters had recently appointed Glen Bannerman, formerly of the Association of Canadian Advertisers, as a full-time president and general manager of the CAB. He was quoted in *News*, a Toronto weekly, as having advised the government against appointing a parliamentary committee.⁵⁹

Toward the end of April 1941, Frigon told Plaunt that Howe was disillusioned and wanted to be left alone about radio.⁶⁰ On June 11 Prime Minister King announced that, for more effective co-ordination of radio broadcasting and film activities with other public information services of the government, "some of these several activities" would be transferred to the Department of National War Services; and J. T. Thorson was given this portfolio, succeeding James Gardiner.⁶¹ By order in council PC 4215, the minister of national war services assumed the functions of minister under the Canadian Broadcasting Act, although Howe as minister of munitions and supply retained responsibility for the work of the Radio Division of the Department of Transport. Responsibility for broadcasting was now thoroughly confused, both within government and the CBC.

On June 13, answering Coldwell's demands for an investigation, Howe admitted that some things had gone wrong in the corporation, but nothing that had jeopardized its future. The new by-laws merely allowed the governors to exercise greater financial control, and added to the

58 / *Debates*, 1941, pp. 1460, 1683, 1761, 1978, 2531, 2650–1, 2833, 3990–9.

59 / *News*, May 8, 1941; cited by M. J. Coldwell, *Debates*, 1941, p. 3993. Bannerman said in answer to questions from Coldwell in 1942 that he had been expressing purely his own personal views, not those of the CAB directors; *1942 Proceedings*, p. 985.

60 / Plaunt Papers, box 10, note made by Plaunt, April 24, 1941.

61 / *Debates*, 1941, pp. 3780–1.

duties of the assistant general manager. Some of the senior officers of the corporation had been forced to double up because of the absence of others in the British Isles; the result had been "a certain laxity of financial control" that the auditor general had drawn to his attention. When the board learned of it, the situation was immediately corrected. "I make no apologies for the Canadian Broadcasting Corporation or its management. I believe it is a stronger institution today than it has been in any time in its history. I believe it is giving better satisfaction to the public today than it has done at any time previously. ... In handing over the duties to another minister, I can only wish that his relations with the corporation itself will be as happy as mine have been to this day."⁶² He added that there had been three parliamentary committees since the Broadcasting Act was passed, and he was sure that if another were appointed its findings would be exactly the same.

Parliament was about to adjourn for the summer, and the opposition demands could not be renewed until the next session.

7 Plaunt's Final Representation

Plaunt felt that the board's latest decisions, taken at the prompting of the minister, threatened the constitution of the CBC that he and Claxton had worked out five years previously. He wrote Claxton on April 25:

Whether it is to be formally stated or not, the Executive Committee has already assumed some of the functions of management, as previously conceived, reserving itself the right, for example, of veto on all appointments, salaries, increases of salaries and the like.

In other words, we are practically back to the defects which wrecked the Radio Commission and which you and I in particular, and the Parliamentary Committee of 1936 and the Act in general, set out to avoid, viz. divided managerial control; and no clear line of demarcation between policy and management. ...

For my own part, of course, I care not in the slightest what goddam fools of themselves Nate, Morin and Co. make. But I do care about this enterprise a) for its own sake and b) because I believe that our Act provided a model framework for a publicly-owned business, which surely is of some importance to the future of democratic government in this bloody country. And I cannot help feeling that once they have formally altered the set-up we so carefully contrived it will be almost impossible to get it restored.

In a postscript he added, "I'm sorrier than ever now that you didn't find it possible to get the matter raised in caucus last session."⁶³

62 / *Ibid.*, p. 3995.

63 / Plaunt Papers, box 10, Plaunt to Claxton, April 25, 1941.

Plaunt also reflected on the business interests that stood to gain if the CBC structure was weakened. This element in his thinking showed itself in an article which appeared in the *Canadian Forum* for May 1941 – an article for which he had provided most of the basic information:

It is a remarkable fact that ... the general manager, certain key members of the board, the Hon. C. D. Howe, and representatives of the private broadcasters are all actively agreed on one principle: that a parliamentary investigation should be resisted. ...

Who is responsible? Primarily, the board of governors, a board at present dominated by men whose enthusiasm for public ownership in general and for this project in particular, may, perhaps, be judged by the fact that the chairman is the head of a St. James Street trust, and the vice-chairman (really the dominant interest) is the key figure in Canada's moving picture industry, an industry with which, of course, a successful CBC would very directly compete. It is suggested, furthermore, that the Hon. C. D. Howe ... interferes so frequently in the decisions of the board as virtually to paralyze independent judgment.

The article then referred to a question from Coldwell about which stations would be allocated the higher-powered wavelengths under the Havana agreement, and Howe's guarded reply.

On March 24, three days after Mr. Howe made his guarded and evasive reply, representatives of the leading private broadcasting interests appeared before the board of governors to demand the right to increase their power to the limits allowed under the Havana agreement. ... They believe that sooner rather than later present restrictions will be quietly dropped and that those few stations already fortunate enough to be awarded the precious high powered channels will be permitted to invade the high powered or "area" broadcasting which up to now has been marked as the special sphere of the national system. ... And when they are permitted either high power or a private network Canada can say good-bye to this experiment in public ownership.⁶⁴

At this time Plaunt was very ill; operations to arrest the cancer from which he was suffering had not been successful. One of the last notes he made included this paragraph:

Concession of high power could mean sabotage present state of the network.

Concession of clear channels would further rob CBC of national audience and ultimately undermine necessary principle of the system.

CBC long term plan not completed. CBC should occupy these channels: cost \$1,000,000.⁶⁵

Aside from Plaunt's concern about the internal management of the CBC, he thought it essential that a parliamentary committee reinforce the

64 / *Canadian Forum*, May 1941, p. 39.

65 / Plaunt Papers, box 10, undated note which Mrs. Plaunt lent to Claxton during the 1942 Radio Committee.

principle that privately owned stations were to be local stations only; otherwise he was fearful that the board would allow individual concessions in relation to power, or subsidiary networks, that would in the end destroy the primacy of the publicly owned enterprise.

Plaunt died on September 12, 1941. His friends, especially Coldwell and Claxton, remained more determined than ever that a parliamentary committee on broadcasting should be established.

8 *The 1942 Radio Committee*

In the session of 1942, Graydon again asked that the Annual Report of the CBC be submitted to a standing or special committee. R. B. Hanson, the leader of the opposition, suggested that a standing committee on communications be set up to examine the annual reports of both the CNR and the CBC. Ten days later, the new minister, Mr. Thorson, moved the appointment of a select committee on radio broadcasting, with twenty-three members, including himself and Mr. Howe.⁶⁶

The committee met from May 6 to July 24, and made an unusually thorough review of corporation policies and practices during the preceding three years. The agenda committee included Claxton, Coldwell, and Graydon, an arrangement guaranteeing that the matters about which Plaunt had been concerned would receive a full airing. Witnesses included the minister (Thorson) and the chairman and vice-chairman of the CBC (Morin and Nathanson); Murray, Frigon, Bushnell, and Harry Baldwin from the administration of the CBC; and Pickering and Donald Buchanan, two men who had resigned from the CBC on points of principle. Howe was questioned about the proposal for a short-wave station for transmitting broadcasts overseas; and Glen Bannerman appeared as a representative of the Canadian Association of Broadcasters.

The committee's chairman was Dr. J. J. McCann, Liberal member for Renfrew South, who three years later became minister of national revenue. The most persistent questioner was the CCF leader, M. J. Coldwell, closely followed by Graydon and Claxton. Coldwell and Claxton had access to some of the papers in Plaunt's files, and Graydon had received certain information from Pickering.

Morin, Nathanson, and Murray were asked detailed questions about the changes made in administrative responsibility, about financial control, about the response to the Plaunt-Thompson Reports, Murray's expense

66 / *Debates*, March 3, 1942, p. 972; March 13, p. 1287.

accounts, and certain irregularities in payments to CBC staff members in 1937-8 which had been discovered in Vancouver. On some of these matters the witnesses were evasive or imprecise, and questioning became sharper the longer the committee was in session. Some of the Liberal members, particularly Arthur Slaght, appeared desirous of protecting the general manager from hard questioning, but in the end, even the committee chairman indicated impatience with the answers given and the lack of control by the Financial Committee of the board in 1939-41.⁶⁷

The amounts of the doubtful expenditures were not great; the payments made to one or two members of staff in Vancouver were quite small, but they involved putting false names on artists' pay sheets. As for the general manager's expense accounts, the committee was not concerned so much with the totals as with the lack of detail in claims submitted, and the fact that neither the board nor the treasurer seemed to be exercising adequate control, until the warning that resulted from the auditor general's letter in February 1941.⁶⁸

The committee reported that the changes made by the board in 1939-41 - the division of responsibility between the general manager and the assistant general manager, the limitation of the power of the general manager by the Finance Committee acting as an executive committee, and the passing of the amendments to the by-laws - were "rendered necessary on account of lack of confidence of the board of governors in Mr. Murray's ability in financial matters." But, the committee said, "the reasons which led the Board to relieve the General Manager of many of his functions should have led to totally different action." The board had provided for an executive committee with powers of management and had given a large part of the general manager's functions to the assistant general manager, who was also appointed controller of finance. These were expedients, and insufficient expedients; the situation should have been dealt with in a more fundamental way.

After some critical remarks about the amount of Murray's expenses, his unwillingness to state to whom many of the payments were made, the carelessness about the way in which the expenditures had been accounted for, the committee concluded:

Mr. Murray has rendered great service to Canadian broadcasting, but in view of the Board's loss of confidence in his ability in financial matters and

67 / *1942 Proceedings*, pp. 1045-6.

68 / In addition to his salary of \$13,000, Murray received expenses of \$14,885.01 in 1939-40, and \$14,488.70 in 1940-1. In 1939-40 the expenses were divided as follows: travel, \$5692.56; duty allowance at base, \$4800; duty allowance away from base, \$4392.45. Baldwin explained that this last category might better be called "public relations." *1942 Proceedings*, pp. 1061-2.

his attitude to his own expenses and in view of other material placed before the Committee, your Committee recommends that the Board of Governors consider if the services of Mr. Murray could be used by the Corporation in another capacity than that of General Manager or Executive Head of the Corporation.

Then the report criticized the board of governors. It had failed to deal adequately with the Plaunt-Thompson Reports, and was not aroused by the resignations of one of the members of the board, of the assistant to the general manager, and of the supervisor of public affairs broadcasts. The committee recommended that the government progressively strengthen the board by appointing persons selected because of outstanding ability and genuine interest and not because of any political affiliation. It noted that the government had not been prompt in filling vacancies on the board, and that for an eighteen-month period the board was without the effective services of three members out of nine. In another implicit criticism of the government, the committee advocated that a parliamentary committee on broadcasting, perhaps a standing committee, should meet every year.

To emphasize the continuity of public policy in broadcasting, the committee reaffirmed principles stated by the reports of other years: the paramount importance of a single national authority to control all broadcasting in the public interest; the public ownership of all high-powered stations; the public control of all networks and the character of all programs; the responsibility of the board of governors for policy and of the general manager for administration; the independence of the corporation from partisan control; the provision of sustaining time for political network broadcasting; and the use of public broadcasting as an instrument of education and national unity as well as of entertainment.⁶⁹

13 THE CBC AS A WARTIME ARM OF GOVERNMENT

DURING THE WAR, the CBC assumed extra responsibilities which very nearly made it into an arm of government. The CBC's wartime role raised perplexing questions about who was responsible for policy, to what extent the board of governors remained independent of the minister, and how far the corporation should go in giving voice to diverse and conflicting views in wartime. The CBC saw its own function in these terms: "Even in time of peace, national radio has played an increasingly important role in welding together the diverse elements of our population; in wartime it serves also to interpret policy, by bringing the country's leaders in constant contact with listeners, and to sustain morale by means of programs that adequately interpret the will of the whole Canadian people to prosecute the war to a vigorous conclusion by every means in their power."¹

When hostilities broke out in Europe, Murray assumed that the government would offer policy direction, and he was not averse to accepting it. As he told the Parliamentary Committee in 1942, in those first few weeks "management dealt directly with the government," and he used to see Howe three or four times a week at 9 o'clock in the morning.²

As we have seen, Brockington attempted to recover lost ground in re-establishing the authority of the governors, and did so by appealing once again to the prime minister. After the last meeting of the board which he attended, this statement was issued:

Censorship regulations and some other war-time restrictions have been imposed upon the Canadian Broadcasting Corporation as a result of war conditions.

These have now been crystallized. The board of governors has been officially advised by the minister of transport that it is the wish of the government that hereafter the board of governors of the CBC shall continue

1 / *Cbc Annual Report*, March 31, 1940, p. 6.

2 / *1942 Proceedings*, pp. 725 and 962.

to exercise its statutory powers and duties under the Broadcasting Act subject to essential war-time restrictions as they may be defined by the government or the board of censorship from time to time.

The governors of the CBC will continue in control of broadcasting development and radio policy.³

Nevertheless, CBC decisions on political broadcasting, and the selection of speakers for its programs, cast doubts on its political impartiality and its exercise of the independence that it legally had. But it was an incident of quite another sort that first raised the question of whether the CBC was becoming, quite simply, an arm of government. There had been some attempt among CBC staff in Toronto to form a union. Gladstone Murray decided to put a stop to this, and sent out a memorandum on December 4, 1939 with this paragraph: "Members of the staff of the CBC who may be advised to bring pressure to bear on the management through a trade union should realize that such a course in war-time would involve grave considerations which His Majesty's Government in Canada could not disregard."⁴ The memorandum seemed to hint that the government stood behind it, but on January 4 a statement from the prime minister made it clear that the government had no part in the matter at all. Subsequently it was learned that the board of governors had not been consulted either. This led to editorials in the *Winnipeg Free Press*, "Who is Running the CBC?" (January 15, 1940), and in the *Financial Post*, "Who Controls C.B.C.?" (January 20).

The technical staff in Toronto continued pressing for a collective agreement. When the issue reached the board of governors, it did not repudiate the general manager's memorandum, but decided to ask the Department of Justice for a legal opinion. The answer which came back was perhaps the one hoped for, in that it seemed the CBC would not have to bargain with unions: "Your Corporation is, in many respects, in the position of a department of Government and I would not think that the Board of Governors or the General Manager would have the authority to enter into such an agreement which would restrict the authority of the Corporation to act as freely as the Government itself in all matters relating to its employees."⁵ In a deeper sense, the legal opinion was not reassuring. Opposition members questioned the independence of the corporation, when it had been declared to be "in many respects" like a department of government. This situation was not changed until 1950,

3 / *Ottawa Citizen*, Oct. 18, 1939.

4 / Quoted in *Financial Post*, Jan. 20, 1940.

5 / *1942 Proceedings*, p. 327; letter from W. Stuart Edwards, deputy minister of justice, to general manager of the CBC, April 4, 1941.

when an amendment was passed to make it easier for the CBC to sue and be sued, and to clarify its legal position in the handling of personnel problems.⁶

1 *Party Broadcasts and Political Speakers*

When Canada declared war, there was a widespread feeling that party differences should be forgotten for the duration, that citizens should close ranks, and controversy should be muted or stilled. Even after the Quebec government called an election, the *Ottawa Citizen* wrote (September 28): "There should be no partisan broadcasting of the provincial election campaign in Quebec or in any other Canadian province during the war. ... The federal cabinet ministers should keep off the air as much as Premier Duplessis. ... Canadian listeners would surely at this time favor a complete truce in political broadcasting. It would be in the national interest to rule that there should be no political partisan broadcasting during the war." But of course there was. The CBC did not provide free time for the provincial leaders, but it permitted the sale of time on subsidiary hook-ups and on private stations. Premier Duplessis tilted against the censorship restrictions, for which he held the CBC responsible. In the main, this meant that broadcasts had to originate in the studio, and could not be picked up from public meetings.

The attitude of the general manager and of the majority of the board was that partisan broadcasts should be kept to a minimum, and that in the periods between elections time should not be sold to political speakers on CBC stations or networks. Gladstone Murray explained in 1942 that "with the closing of the ranks, public issues should be expounded objectively and not in violent controversy." Morin said that members of the board felt that "in time of war the main purpose was to have a united public opinion behind the public effort to win the war, and that it was not the proper time to engage in controversial broadcasts which might endanger the unity of the country."⁷ This meant, of course, that government spokesmen had easy access to the network, but that partisan critics would seldom be heard, unless there were regular provision for other political leaders to broadcast, or at least provision for the sale of network time. The White Paper of July 1939, had authorized continuation of sponsored political broadcasts in the periods between elections.

6 / *Can. Statutes, An Act to amend the Statute Law, 14 Geo. VI (1950), c.51. 7 / 1942 Proceedings, pp. 175, 162-3.*

But when the board met in January 1940, most of the provisions of the White Paper were suspended. Murray summarized the changes:

On January 22, 1940, the board decided that sponsored political or controversial broadcasting on CBC stations, networks or hookups should be suspended except during elections, for the duration of the war. Accordingly, section C of the white pamphlet was withdrawn; this section had permitted the purchase of time outside election periods for political broadcasts on CBC stations and networks. ... The board were inclined to feel that the times were not propitious for putting into practice the new and untried policies formed in section A [regarding election campaign broadcasts]. A resolution was passed which reduced the provision of free time for party political broadcasting during the election to limited free time for leaders, leaving it open for extra time to be purchased. A meeting of representatives of all parties in the house was immediately convened to hear this decision of the board.⁸

Plaunt suspected that Murray's advice to the board was prompted by Howe's wish to keep all opposition speakers, especially CCF, off the CBC. Although he was unable to attend the January meeting of the board, he sent a letter to Morin advising against accepting the recommendation from CBC management, but the board did not heed his advice.⁹

Howe told Norman Lambert that "he and Murray" had decided on four half-hours of free time for each of the leaders of the two main parties. Lambert reported the change in the CBC regulations to King. After a telephone call to Howe, King pronounced himself as satisfied with the new arrangements. "He said he favored paying for national hook-ups especially in view of other parties having no money." Lambert, as president of the National Liberal Federation, objected "on grounds of principle and costs."¹⁰

Lambert must have prevailed. Three days after the board of governors' meeting, Parliament was dissolved and an election called. Murray met with representatives of the four federal parties, who objected to the changes the board had just made. They wanted more free time than the CBC offered (three half-hours for the Liberal leader, two for the Conservative, and one each for the CCF and Social Credit leaders). And unanimously they insisted that there should be no sponsored political broadcasts on the national network.¹¹ Murray consulted the governors by telegraph, with the result that the provisions of the White Paper were

8 / *Ibid.*, p. 234.

9 / Plaunt Papers, box 12, undated memorandum drawn up by Plaunt, "Examples of Unwarranted Ministerial Interference"; Plaunt to Morin, Jan. 20, 1940 (box 9).

10 / Lambert Papers, Diary, Jan. 27 and 29, 1940. Lambert visited Plaunt on Jan. 28.

11 / *1942 Proceedings*, p. 83.

restored – but only for the election campaign. Instead of three half-hours of free time, the CBC provided twelve three-quarter-hours. In the election campaign, the broadcast arrangements seemed to satisfy everyone, with the probable exception of the private stations who sold less time than they would have under the CBC's first plan.

No move was made to extend the free-time provisions to any provincial election. The CBC looked into the possibility of doing so during the Alberta election campaign of 1940, but abandoned the idea when it found that the private stations were opposed.

As for arrangements between elections, Murray told the Parliamentary Committee in 1942 that, as an experiment, a period of free network time in Ontario had been extended in 1941 to Premier Hepburn and the leader of the opposition, Mr. Drew. This was followed by arrangements for opposition leaders in Ottawa to speak on the national network – Hanson, Blackmore, and Coldwell. But, Murray said, “at its meeting on June 26th, 1941, the board of governors reviewed the results of the experimental series of broadcasts and decided that no further free broadcasts should be carried for the time being. I do not know what the grounds were, as a matter of fact.”¹² Actually, the Liberals were opposed to free-time broadcasts between elections, and refused to take part.

In 1942 the three opposition leaders were invited to speak in the plebiscite campaign of that year. Even so, according to information given Parliament, Liberal members of the Commons and Senate spoke seventy-five times over CBC stations in 1942; opposition members spoke five times. The prime minister spoke fourteen times, and the official leader of the opposition spoke once.¹³

2 *Insistence upon Non-Partisan Control of the CBC*

It was no wonder that the opposition members of the Radio Committee in 1942 insisted on a strongly worded report critical of the board of governors and of the government, and suggesting the transfer of the general manager to another position. As a matter of fact, the leading Conservative member of the committee, Gordon Graydon, refused to endorse the report on the grounds that it did not go far enough. He would have recommended that the governors be asked to resign, and Coldwell would have asked that the general manager be dismissed.¹⁴

12 / *Ibid.*, p. 236.

13 / House of Commons, Sessional Paper 334. Return summarized in a CP dispatch, *Montreal Daily Star*, May 12, 1943.

14 / *Debates*, 1943; Graydon, p. 34 (Feb. 1) and pp. 2482–3 (May 7, 1943); Coldwell, pp. 2485–6 (May 7).

Reports were current that only intervention by Howe prevented the committee from going this far:

Both Mr. Murray and the Board were censured, to be sure, but the story which Ottawa hears about this is that last-minute intervention by influential people, including Hon. C. D. Howe and the Canadian Legion, caused a modification of the original proposals regarding the firing of Mr. Murray and that party loyalty balked at any drastic steps in regard to the Board of Governors, which would reflect too harshly on the Government.

Mr. Howe was a member of the parliamentary committee ... but attended only one session of its deliberations – the final session prior to the adoption by the committee of the final report.¹⁵

The committee report did say, however, that the independence of the corporation from partisan control must be reaffirmed, and that the government should strengthen the board by appointing persons selected for their outstanding ability and genuine interest, “and not because of any political affiliation.” It also re-emphasized “the importance of placing before listeners the widest variety of points of view,” while noting that this principle had been departed from for a considerable period after the outbreak of war.

The report ignored one of the principal violations of the spirit of the CBC White Paper that had occurred just before it began its sittings. This was the action of the government in refusing network time to the advocates of a “no” vote in the plebiscite held on April 27, 1942.

3 *The CBC's Status in the Plebiscite Campaign*

Throughout the dark days of the war in 1940 and 1941, the opposition attacked the King government for making less than a total war effort. The symbol seized upon was conscription for overseas service, and Mackenzie King's pledge in 1939 that no such measure would be introduced by a government he headed. On January 22, 1942, the Speech from the Throne announced that the government through a plebiscite would seek release from this pledge. It was the first step in the policy that King later defined as “not necessarily conscription, but conscription if necessary.” Eleven members from Quebec voted against the government at the close of the debate on February 19. Opposition within the province was mobilized by *La Ligue pour la Défense du Canada*, led by Maxime Raymond, an MP who was then still in the Liberal party, and Georges Pelletier, publisher of *Le Devoir*; the secretary was André

15 / “Backstage at Ottawa,” *Maclean's*, Sept. 1, 1942, p. 15.

Laurendeau.¹⁶ The campaign was supported by a handful of MP's in Ottawa, such as the maverick Liberal Jean-François Pouliot; by a larger number of deputies in the provincial legislature, including a cabinet minister (Oscar Drouin), and by a number of Quebec newspapers and voluntary organizations.

The plebiscite was to be held on April 27. On February 13 Laurendeau, as secretary of *La Ligue*, wrote the first of several letters to Frigon, asking whether it was the intention of CBC to give proponents of a "no" vote an equal chance to be heard on the network. Frigon replied:

Most likely, our regulations, which apply to general elections, will be enforced during the campaign which, in all probability, will precede the plebiscite announced by the government of Canada.

Our services are offered free of charge to all recognized political parties, and according to a policy which was adopted almost three years ago. I feel that so far we have observed, in this regard, a strict neutrality.

La Ligue, Frigon said, could use individual private stations, but the corporation's regulations did not permit it to rent its stations to individuals wishing to deal with political or controversial matters.¹⁷

Laurendeau replied that it was not an electoral campaign, and that the policy governing election broadcasts should not apply. Frigon replied on February 24: "I shall deem it a duty to convey to the proper authorities the remarks contained in your letter of February 18. In view of the importance of the plebiscite and the peculiar conditions of the campaign which will be waged on this issue, it is quite possible that our board of governors will place a special interpretation on our regulations." On March 11, Frigon said that the matter was still under consideration. The board of governors had not met since November 17, and indeed did not meet until April 15, after the matter had been settled.

On April 4 it was learned that only speakers nominated by the four major parties would be given free time on the networks – including King, Hanson, Blackmore, and Coldwell, all of whom supported a "yes" vote. According to a statement made by the acting secretary of state, W. P. Mulock, "The use of the Canadian Broadcasting Corporation's English and French networks, in dealing with the plebiscite, is restricted to use by the Prime Minister, members of the cabinet, and leaders of the

16 / Laurendeau has told the story of the plebiscite campaign from the point of view of an anti-conscriptionist in his book, *La Crise de la Conscription, 1942* (Montreal, 1962). The role of the CBC is described in Chapter 18, "Une partialité absolue."

17 / The correspondence was published in full in *Le Devoir*, March 21, April 4, and April 10, 1942, and was summarized in the House of Commons by Maxime Raymond in 1944; *Debates*, July 4, 1944, pp. 4514–5.

recognized parties in the House of Commons.”¹⁸ Prime Minister King wrote to Ligouri Lacombe, member for Laval–Two Mountains that the government had no authority to give orders to the Canadian Broadcasting Corporation, and that the policy on these broadcasts was worked out “by arrangement with the corporation.” Nevertheless, the wording of Frigon’s letter to Laurendeau on April 8 is significant: “In accordance with instructions received from the federal government, our corporation has placed at the disposal of the administration a certain number of periods on its various networks for the use of speakers who will discuss the plebiscite. ... Eight half-hour periods will ... be allotted on both the French and English networks.” Adrien Pouliot, a CBC governor, declared on April 15 that the decision was taken directly by the government, whose prerogative it was. Laurendeau wrote a letter of protest to the minister of national war services, Mr. Thorson, but did not receive a reply.¹⁹

Within the province of Quebec, it was not only *Le Devoir* and La Ligue pour la Defense du Canada that protested the decision. Liberal newspapers such as *Le Soleil* regretted the CBC’s “partiality”;²⁰ and in the legislative assembly, a former Conservative MP and a member of the Duplessis government, Onésime Gagnon, introduced a resolution upholding freedom of speech and advocating that the same facilities of the network be extended to each side in the plebiscite debate. The Liberal majority rejected the resolution as useless and inopportune. Duplessis spoke in favour, adding that he himself had been one of the first to suffer the arrogance of the CBC.²¹

The results of the plebiscite showed the deep difference of opinion between French and English-speaking Canadians. Only 27 per cent in the province of Quebec voted “yes”; in the remainder of the country, the affirmative vote was 80 per cent.

For the next two or three years, *Le Devoir* never took seriously protestations that the CBC was non-partisan and independent of the government; over and over it recalled the matter of the plebiscite. The English press in Canada was almost completely silent and indifferent. The *Montreal Gazette* expressed the general sentiment when it said that the government was well within its rights in giving free radio time only to “yes” proponents. It said no recognized political party was advocating a “no”

18 / Quoted in letter from King to Ligouri Lacombe, April 13, 1942; cited in *Debates*, June 17, 1942, p. 3422.

19 / *Le Devoir*, April 21, 1942; Laurendeau, *La Crise de la Conscription*, p. 108.

20 / Quoted in *Le Devoir*, April 9, 1942.

21 / *Ibid.*, April 25, 1942.

vote; "if any party favored a No vote, it could use its allotted time to urge that course."²²

A year or two later, two English periodicals referred to the damage that had been done in French Canada by the decision taken on the plebiscite broadcasts. In *Maclean's Magazine*, Blair Fraser wrote that the denial was made at the insistence of Quebec cabinet ministers, and against Dr. Frigon's judgment. "That muzzling has not been forgotten. It created a profound resentment ... in French-speaking Canada that the CBC was a government tool."²³ And in *Saturday Night*, the editor concluded:

The policy was not only illogical, it was most unwise. Its result in French-Canada was to increase the No vote by creating the impression that the Yes case was being stuffed down the throats of the French-Canadians.

We have to express our own penitence for not having raised our voice against this piece of unwisdom at the time. Our only excuse is that we entirely failed to realize its import. ... It would no doubt have been difficult to keep the *Ligue* orators within their proper limits, but it should have been tried.²⁴

4 *Action Taken on the 1942 Report*

It is hard to gauge public reaction to the report of the Radio Committee in 1942. There were so many important developments in the war that the committee's proceedings, sensational as some of them were, did not receive prominence in most newspapers. Some editorial writers thought the report was unduly harsh toward Murray, and motivated by a desire to vindicate Plaunt – for example, the *Globe and Mail*, the *Legionary*, the Ottawa correspondent of *Saturday Night* (who was a former employee of the CRBC and CBC), and even the *Ottawa Citizen*. On the other hand, the *Montreal Gazette* considered it an "admirable job," its recommendations "fully justified," although it did not think that the government should be held accountable for the mistakes of a constitutionally independent board. The *Financial Post* held the government more culpable, and said that resignation of the board of governors in a body would not be too drastic a step in view of the disclosures before the committee. It added that fortunately executive troubles had not greatly affected the program performance of the CBC, which had "provided a

22 / *Gazette*, April 11, 1942.

23 / "Static on the CBC," *Maclean's*, June 1, 1944, p. 57.

24 / "Of Old Errors," *Saturday Night*, Jan. 29, 1944, p. 3.

useful instrument of wartime morale.” The radio reviewer for *Saturday Night* made a similar point: in spite of administrative defects, “one fact was most impressive ... the amazing record of the CBC.”²⁵

The CBC Board of Governors met on August 17 and 18 to consider the committee’s report, and came up with a surprising solution. Morin announced on August 28 that the board was appointing Gladstone Murray as “Director General of Broadcasting for Canada,” and that it was recommending to the government the appointment of one of its members as general manager – Dr. James S. Thomson, president of the University of Saskatchewan. Thomson’s appointment was to be for one year, and he had applied for leave of absence from his university.

Claxton was astounded. He wrote Mrs. Plaunt:

Practically all the papers have pieces commending the appointment. Even the Free Press for the 31st.

One thing which does not seem to have occurred to people is the appalling impropriety of announcing the appointment until it was made by the Government – apparently an effort to tie the Government’s hands. The incident should lead to the resignation of the Board.²⁶

The *Globe and Mail* interpreted the Thomson-Murray set-up as similar to the arrangement the BBC had in 1942–3, two joint directors general, Robert Foot and Cecil Graves. In *Saturday Night*, E. C. Buchanan (“G. C. Whittaker”) wrote that through this “adroit manoeuvre,” Murray had been appointed to the much more impressive position of director general; there was no demotion for him, in fact he continued in full charge of the principal business of the CBC, which was broadcasting.²⁷

Indeed, the board’s salary recommendations made it appear that the CBC would be run by three officials of almost equal importance. The board recommended appointment of Thomson at a salary of \$15,000; and of Murray and Frigon at a salary of \$14,000 each. All three, it suggested, should be appointed by order in council.

The government referred the question of salaries back to the governors, who met again at the end of September and submitted new salary recommendations. Dr. Thomson would get the same salary he received at the University of Saskatchewan – \$7980, plus a living allowance of

25 / *Globe and Mail*, Aug. 1 and 13, 1942; “G. C. Whittaker” (E. C. Buchanan) in *Saturday Night*, Aug. 1; *Ottawa Citizen*, July 27 and Aug. 17; *Gazette*, July 27; *Financial Post*, Aug. 8; Frank Chamberlain in *Saturday Night*, Aug. 1.

26 / Plaunt Papers, box 10, Claxton to Mrs. Plaunt, Sept. 4, 1942.

27 / *Globe and Mail*, Aug. 31, 1942; *Saturday Night*, Sept. 12, 1942. Similar interpretations appeared in other periodicals, for example the *Montreal Star* and the *Ottawa Journal* (Aug. 31).

not more than \$3000. Frigon would get \$12,000. Murray was not appointed to his new post by order in council, but was a CBC employee "under the control and responsible to" Dr. Thomson; he would also receive \$12,000, and no living allowance.²⁸ Murray, who was moved to Toronto, had the right to terminate his employment on thirty days' notice within the "trial period" of one year, in which case he would receive a full year's salary as compensation.²⁹ The government accepted this curious arrangement.

On reviewing the changes that had been effected, the *Winnipeg Free Press* on October 3 concluded: "The moral of this is that the board is not good enough and that an immediate responsibility descends upon the responsible minister, Mr. Thorson, to see to it that the board is strengthened as rapidly as possible by the infusion of new personnel." But three days later, Thorson was appointed as president of the Exchequer Court, and Gen. L. R. LaFlèche became minister of national war services. The 1942 Radio Committee had criticized the government's delays in making appointments to the board of governors, and in spite of the change of ministers, action could not wait. The terms of three governors, Morin, Thomson, and Mrs. McClung, were to expire at the beginning of November. Morin was reappointed as chairman. Mrs. McClung, whose ill health had prevented her attending meetings for the past two years, was replaced by another woman from British Columbia, Mrs. Mary Sutherland. Thomson's place was taken by Howard B. Chase, president of the Canadian Brotherhood of Locomotive Engineers, who had also undertaken responsibilities for the Department of Munitions and Supply.

The board had been criticized in the 1942 report for the infrequency of its meetings; Morin was able to tell the committee in 1943 that since the 1942 report it had met an average of once every two months. Another recommendation was that, subject to limitations of censorship, there should be an increased emphasis on broadcasts presenting diverse points of view. The committee mentioned with approval the National Farm Radio Forum broadcasts, and suggested that similar techniques might be applied to other subjects. The former supervisor of public affairs broadcasts, Donald Buchanan, had told the committee that after the outbreak of war, nearly every program series discussing Canadian

28 / *Globe and Mail*, Sept. 29, 1942; also Frank Chamberlain in *Saturday Night*, Oct. 10, 1942, p. 19. The correspondence and documents were shown in Sessional Paper 291, a return to the House of Commons, April 13, 1943. The by-laws of 1941, giving specific powers to the assistant general manager, were cancelled in October 1942.

29 / "New Deal in the CBC," *Canadian Forum*, Nov. 1942.

affairs had been removed from the air, except for those arranged by the Office of the director of information.

During the winter of 1942–3, the CBC began to repair this lack, with “CBC Discussion Club” originating from cities across Canada, followed by two parallel series running on the English and French networks, “Of Things to Come” and “Opinions.” The CBC also instituted the National Labour Forum. Some of the commentaries on international affairs, particularly by Watson Thomson of Winnipeg in the series “Weekend Review,” were vigorous and controversial enough to arouse protests from the *Globe and Mail* and other Conservative sources.³⁰

It appeared that under the new general manager the number of broadcasts on controversial subjects was being stepped up. Furthermore, the provisions of the White Paper were now extended to provincial election campaigns, as the 1942 committee had asked. It was not yet clear whether the CBC would offer more scope to leaders of the federal opposition parties. In the first part of the war the feeling that party politics should be kept off the air had been remarkably widespread. The frequent talks by the prime minister and other cabinet ministers were studiously “non-partisan” in tone, and there was really very little agitation that other politicians should be heard more often. Until 1942 not even the official opposition complained. Gladstone Murray told the Ottawa Canadian Club in January, 1942, that the CBC had received “more complaints of unfairness to the Liberals than to any other party.”³¹ If this was an exaggeration, it was not so glaring that Murray’s statement was greeted with ridicule. Even in 1942, the Radio Committee did not request that party political broadcasts should be arranged, except during election campaigns. Nor did it ask that the board of governors remove its prohibition on the sale of time to political speakers over CBC networks or private station hook-ups. Still, given the committee’s request for more controversial broadcasting, the governors might reasonably be expected to develop a more liberal policy on political broadcasts.

5 *The Conservative Convention of 1942*

The board’s intentions were soon tested. Arthur Meighen had been defeated in the York South by-election, and a national convention was being held in Winnipeg in December, 1942, to choose a new Con-

30 / “Canadians Pay for This,” *Globe and Mail*, Oct. 20, 1942. Arthur Meighen devoted part of his farewell address as Conservative leader to a criticism of Watson Thomson’s broadcasts (Dec. 9, 1942).

31 / “Broadcasting – Everybody’s Business,” address given to the Ottawa Canadian Club, Jan. 14, 1942; text in the CBC Library, Toronto.

servative leader. In October the convention committee asked permission for Meighen and the chairman of the committee, H. R. Milner, to speak over the national network. Members of the board were consulted individually, and they decided that since "it was a new departure that might lead to innovations," the request should not be granted. (It was learned later that the decision was not unanimous.)³² Next the Conservatives offered to pay for thirty minutes of network time. Thomson again refused. He explained that he could hardly grant on a paid basis what the board on principle had already refused on a sustaining basis. He said that the board had decided in January 1940 that paid political or controversial broadcasts on CBC networks, except during elections, were suspended for the duration of the war. Thomson offered instead a half-hour period, after the convention, for the newly elected leader of the party.

The Conservatives were furious. Gordon Graydon issued a scornful statement in which he asked how the status of the present leader differed from that of his successor: if the new leader could speak, why couldn't the present leader? He denounced the general manager's presumption in suggesting that the new leader should refrain from anything that is abusive or which would tend to cast any personal discredit on political opponents.³³

The Conservative press was of course highly critical of the CBC's refusal to broadcast Meighen's speech, and suggested that if the CBC had been at all enterprising, it would have sought permission to broadcast the highlights of the convention as an actuality program.³⁴ Meighen himself used half of his speech at the convention to denounce the CBC as "an authoritarian Commission appointed by a Government constituted from a single party." He contrasted his treatment with the appearance on radio of ministers such as Mr. Ilsley, who in a recent radio talk had drawn "a contrast between the magnificent efficiency of the present War Prices Board and the sad stupidity of the Administration of the 1914-18 war." In fact, Meighen said, "the radio of Canada has been for years, is today, and Mr. King intends it will continue to be, the effective monopoly, tool and instrument of a partisan Government headed by himself."³⁵ In his diary Mackenzie King recorded his opinion that

32 / 1943 *Proceedings*, pp. 93-4.

33 / *Globe and Mail*, Dec. 3, 1942.

34 / For example, *Ottawa Journal* and *Vancouver Province*, quoted in *Globe and Mail*, Dec. 15, 1942. Censorship regulations prevented broadcasting direct from public meetings, but presumably the speeches could have been edited or "delayed."

35 / Arthur Meighen, *Unrevised and Unrepented* (Toronto, 1949), pp. 422,

Meighan's speech was exceedingly poor. "That he should have spent the greater part of his speech attacking the C.B.C. and the denial of the right of broadcasting for political appeal, seemed to me an exceedingly weak close to his public career."³⁶

The new leader of the Conservative party, John Bracken, accepted the CBC's invitation to speak over a national network. But the damage had been done. Individual Conservative MP's, such as Tommy Church and Douglas G. Ross (a scion of the Gooderham family) had for some years been critical of the CBC, and friendly toward the private broadcasting interests; but the party leadership had never denounced the Broadcasting Act or the system itself. From now on, more influential Conservative members called for an "impartial board" to regulate both CBC and private stations. This coincided with a stepped-up campaign by the private stations to remove the regulatory authority of the CBC.

Thomson was obviously sensitive to the charge that the CBC was a party instrument. In a speech in Halifax, early in 1943, he referred to Meighan's criticism and said, "Never since I took over my duties, have I had the slightest attempt made on the part of any Government official or Minister of State to influence the policies of the CBC."³⁷ But of course that was not entirely the point. Many of the governors were well-known Liberals, and it was perhaps natural that they thought like party Liberals. No members of the board were known to be sympathetic to any other party. In 1942 and 1943, the governors were not a very distinguished group, and Morin was not a strong chairman. None of them had the eminence, in Canadian terms, of the BBC governors of the same time: for example, Lady Violet Bonham-Carter, Sir Ian Fraser, or Harold Nicolson. In fact, Claxton wrote Dafoe: "The C.B.C. board is appalling. As you get to know each member you think that after all, no one could be worse, and then you find that someone is. ... There is no one of them that is an asset. Moreover, the Board has not got the faintest conception of what its proper function is and it has no agreement on policy or parties."³⁸

Gladstone Murray resigned from the CBC in February 1943. During the preceding months he had been stationed in Toronto, and he did not

427. Not until some fifteen years later would Meighan accept an invitation to appear on the CBC, at which time he consented to a television interview to put in a word for the charitable work of the Salvation Army.

36 / Pickersgill, *The Mackenzie King Record*, p. 457.

37 / *Globe and Mail*, Jan. 22, 1943 (CP dispatch). Thomson made a similar statement to the Ottawa Canadian Club on April 15.

38 / Dafoe Papers, Claxton to Dafoe, Jan. 21, 1943 (wrongly dated 1942).

seek to advise Dr. Thomson in his managerial role. Murray was a man with real program sense, with vast experience, and a certain flair. He had a sense of public service that differed somewhat from that of Alan Plaunt, but which helped give positive direction to the program staff. He therefore left a deep impression on many who had worked with him. His weaknesses were those revealed to the Parliamentary Committee of 1942. When he left the CBC he became a policy counsel in Toronto, to foster and promote free enterprise. His firm, "Responsible Enterprise," was given backing by thirty leading business men and industrialists, including the head of the Royal Bank, and the presidents of International Nickel, Imperial Oil, Massey-Harris, and so on.³⁹

Thomson undertook the main burden of explaining and defending the CBC's actions before the Parliamentary Committee in June and July of that year. He did a good job before the committee, but he decided he wanted to return to the University of Saskatchewan at the end of his year. In explaining his intention to the prime minister, Thomson said that he was really interested in only 25 per cent of those matters in the CBC requiring his decision; at the university, he was interested in 95 per cent.⁴⁰ Thomson regarded his principal accomplishment as the achievement of better working relations between the private stations and the CBC, allowing the private broadcasters to feel that they were part of the national system. Whether or not this was so, it can be said that he helped move the CBC in the direction of greater freedom of expression; the incident involving Meighen was the only serious mistake during his tenure. His term of office was too brief to indicate whether he could have developed into a decisive leader in broadcasting.

Although Thomson told the board during the summer of 1943 of his intention to leave, by the beginning of November there was still no decision on who would take his place, nor was there for another year and a half. There were rumours that Thomson might become chairman of the board of governors; that Brockington might return; that John Grierson (of the National Film Board) might become general manager, or Ernest Bushnell, or Augustin Frigon; alternatively, that the posts of chairman and general manager would be merged. Meanwhile, by the terms of the Broadcasting Act, Frigon was acting general manager. It was during his first month in this acting position that the minister of national war services attempted to influence a program decision.

39 / See "Gladstone Murray and the C.C.F.," *Winnipeg Free Press*, March 23, 1944; "Gladstone Murray as a Point of Reference," *Canadian Forum*, March 1944, pp. 270-1.

40 / Interview with J. S. Thomson, June 1, 1967.

6 Ministerial Interference

Maj. Gen. LaFlèche entered the cabinet as minister of national defence after having served as a deputy minister in the same department. King had chosen him, after the resignation of Cardin, to help reconcile the factions in Quebec, to “bring about greater goodwill between the provinces,” and to “help mould public opinion.”⁴¹ Domestically, the King government in 1943 was worried by the continuing agitation among Conservatives for conscription, and – a new concern – by the rising strength of the CCF.

In the summer of 1943, the CBC and the Canadian Association for Adult Education were planning a new program arising out of the series of round-table broadcasts from the season before, “Of Things to Come.” The new series, “Citizens’ Forum,” was to be a more elaborate affair, with printed bulletins to accompany each broadcast and discussion groups organized across the country by the Adult Education Association and other co-operating organizations, after a pattern worked out previously in “National Farm Radio Forum.” Because of wartime censorship regulations, each discussion had to be put down on paper and broadcast from a text, but in spite of this limitation the CBC intended each broadcast to be stimulating, provocative, and controversial, with speakers on each topic espousing widely divergent points of view. A conference arranged by the Canadian Association for Adult Education had worked out the general theme, the topics, and the method of organization, and had suggested names of possible speakers. It was left to a committee representing both the association and the CBC to make detailed arrangements, although the CBC took final responsibility for the actual broadcasts. The series was to begin in mid-November.

This plan had been agreed to while Dr. Thomson was still general manager. The assistant general manager, who had continued to live in Montreal, was only sketchily informed, and probably not much interested. At this time he was more concerned with the problems attending the creation of a second English network (the Dominion Network), which he announced on November 12.

Meanwhile, the newly appointed supervisor of talks and public affairs, Neil Morrison, was approaching potential speakers to see whether they would be interested in taking part, including prominent members of the Liberal, Conservative, and CCF parties. Some of the Liberals who were consulted took alarm, particularly Brooke Claxton, who was now

41 / Pickersgill, *The Mackenzie King Record*, pp. 442–4.

parliamentary assistant to the prime minister. Claxton and the others thought there were altogether too many critics of the government on the list of possible speakers, especially active partisans of the CCF.⁴² They brought pressure on LaFlèche. He in turn made representations to Frigon. The committee arranging the series learned that the whole project was in jeopardy, and Dr. E. A. Corbett, director of the Adult Education Association, passed this information to the *Winnipeg Free Press*.

On November 16, a week before the series was scheduled to begin, the *Free Press* ran an article by its Ottawa correspondent, Grant Dexter, and accompanied it with a vigorous lead editorial, "Free Discussion on the CBC." Dexter reported that "persons of some influence in and around government circles have tried to interfere in the management of the CBC"; that the Liberals complained of too many top-flight CCF'ers, or others unqualified, among the speakers; that, indeed, one suggestion had been advanced that all politicians should be barred. The editorial recalled that there had been a previous occasion when the government had formally asked that a particular viewpoint should not be heard: that was when a speaker (George Ferguson of the *Free Press*) had criticized British foreign policy after Munich. But that was not the only way political pressure could be exerted: "the events recounted today regarding the establishment of the Citizens' Forum show that other more informal but equally effective methods can be used." The *Free Press* reviewed its long-standing policy on broadcasting:

Radio is a powerful vehicle of education and propaganda, and the temptation to make use of it for partisan purposes is always present. Those who strongly supported the principle of publicly-owned radio knew of the danger but, on balance, decided ... that the CBC deserved support. They supported it also on the assumption that the board of governors and officers who would be appointed to the CBC would be persons who, by their character and their experience, would strongly resist any efforts on the part of any government to dictate to or influence the publicly-owned radio system.

The editorial concluded, "It is an amazing thing that the officers and the board of governors of the CBC are not at this moment in conference in order to protest to the government at the action that has been taken by its friends and supporters at Ottawa."

42 / Claxton showed his fears earlier in a letter to Dafoe. "The Labor and the Farm discussions - the Labor Forum in particular - have been charged with C.C.F. arguments. ... The C.C.F. are ingenious and persistent in discovering means to put the radio to political use in their interest. How the thing can be regulated so that there can be honest discussion without too much partisanship is a problem that has me stumped." Dafoe Papers, letter of Feb. 6, 1943.

The same day, Laflèche made a statement to the press:

The acting general manager of the Canadian Broadcasting Corporation recently discussed with me an item "Of Things To Come" which had been proposed for the Canadian Broadcasting Corporation programme. The acting general manager stated that this item had not progressed satisfactorily and, indeed, that it had never been submitted to the board of governors. He added that he deemed it necessary to refer the matter to his board and therefore, in the meantime, this item would be considered closed until the proposal had been properly surveyed and approved by competent Canadian Broadcasting Corporation authority. What the acting general manager told me was his own decision and that of no other person.⁴³

In the Radio Committee the next year, LaFlèche told Coldwell that his statement had been prompted by "many inquiries directed to me ... inquiries not always made in writing." Asked what his authority was for making the announcement, he replied, "The authority of any free Canadian."⁴⁴

The *Free Press* had broken the story, but it was given prominence in newspapers across the country. On November 16 Frigon denied that there had been any government interference; he said that speakers listed for the first three programs had been written postponing their engagements, but this did not constitute a cancellation.⁴⁵ Two days later, he said that they would begin as scheduled on November 23, and he deplored the idea that these broadcasts were being made "a political football." The series did begin on November 23, but the first two broadcasts were in dramatic form. The board of governors met on November 22, and decided that the series should proceed in the way planned. Frigon told the 1944 Radio Committee that all but one of the speakers originally invited had appeared during the season.⁴⁶

The pressure from the government's "friends and supporters" had been turned back, but at some cost to Frigon's reputation. And it could only lead to speculation about how many other times CBC program decisions were influenced by cabinet ministers or other prominent Liberals.

LaFlèche's fingers had also been burned, but he did not learn. Over a year later he interceded to cancel a talk scheduled on New Brunswick mental hospitals by a reporter for the Montreal *Standard*, Kenneth Johnstone, after having received a protest from the acting premier of the province. Again, Frigon (who by now had been confirmed as general

43 / Read into *Debates*, Feb. 25, 1944, p. 901.

44 / *1944 Proceedings*, pp. 10–11.

45 / *Vancouver Daily Province*, Nov. 16, 1943.

46 / *1944 Proceedings*, p. 172.

manager) attempted to accept responsibility for the cancellation; but the full story again came out. The *Montreal Gazette's* comment was typical: "Dr. Frigon's judgment on such matters should be final and should certainly not be overridden by pressure from cabinet ministers, members of Parliament or others with political axes to grind. If this is a typical example of what state ownership of national broadcasting means in the shape of political control and decision, it is high time that the whole policy and set-up were given a thorough overhauling."⁴⁷

Kenneth Johnstone's talk on the care of the mentally ill was broadcast at another time, illustrating that another attempt to exert political influence had been fumbled. But these incidents in the middle of a growing campaign to reduce the authority of the CBC, to contrast its status with that of an "independent" board or commission, took on an added significance.

7 Political Broadcasts Extended

In the Parliamentary Committee of 1943, Conservative members complained about the CBC's decision not to broadcast speeches by Meighen and Milner, but the committee really neglected to discuss the policy of not having political broadcasts on the network between elections, and it did not recommend a departure from this policy. At the end of 1943, another request for a network political speech originated with the Conservatives. John Bracken had been national leader for a year, but he had not sought a seat in the House of Commons. It was arranged that he would speak to a dinner meeting in Hamilton on December 10 to "deliver an account of his stewardship as leader for the past year and outline his plans for the future." The CBC tentatively agreed to set aside a half-hour period to broadcast Bracken's address, but when it saw the text it decided that the speech was too "political," and cancelled the arrangement for broadcast. The CBC explained:

Provision was made last year for leaders of the major political parties to be allowed time on the network on occasion for the purpose of giving an account of their stewardship to the listening public. ...

As the Progressive Conservative party apparently could not see their way clear to confine the content of the broadcast portion of Mr. Bracken's address to the lines laid down in their original application to the CBC, the arrangements were not proceeded with.

This is not a case of censorship but of acceptance of broadcast material

47 / *Gazette*, Feb. 27, 1945.

in compliance with the stated policy of the CBC [the policy since January, 1940].⁴⁸

The CBC had clearly got itself into an indefensible position – cancelling a broadcast of an opposition leader because his speech was too “political.” A statement from Conservative headquarters said that the board of governors was “so obviously steeped in politics that it would be unable to define the word ‘political’ without embarrassing itself.” Frigon said he would bring the matter before the board of governors in January 1944, “for future guidance.” Addresses by ministers of the Crown, he explained, were “considered as reports to the public on governmental administration,” but Mr. Bracken’s speech was “political controversy.”⁴⁹

As a result of the meeting in January, the CBC announced that it would allot a half-hour of radio time each month for political addresses. After another meeting, the board on February 21, 1944, approved a revised “White Paper” on political and controversial broadcasting. This continued the policy of not selling periods on the national network or on CBC stations for party political broadcasts, but for the first time provided network periods between election campaigns free of charge to political parties, both federal and provincial. The general formula of distribution was, if there were more than two parties, two periods to the party in power, three periods to the opposition parties. If there were only two qualifying parties, the time was to be shared equally. The board’s White Paper was submitted to the Parliamentary Committee of 1944 on March 15. Unlike the earlier White Paper (of July 1939), it had not been discussed in advance with the political parties.

The Parliamentary Committee approved the reappearance of the White Paper and the general principles on which it was reconstructed, but the discussions made it clear that the members would like to have more than one-half hour a month set aside for political broadcasts. Moreover, the Social Credit member of the committee, E. G. Hansell, complained that the qualifications stated for a “national” party would exclude his group. Such a party – according to the White Paper – was to have policies on a wide range of national issues, have a recognized national leader, have a nation-wide organization established as the result of a national conference or convention, and it should have sought the election of candidates in at least three provinces and put into the field at least sixty-one candidates (one for every four constituencies). While Social Credit had ten members in the House, it had not had a national convention, it had no national leader, and in 1940 it had placed only

48 / *Ottawa Journal*, Dec. 9, 1943.

49 / *Ottawa Citizen*, Dec. 9; *Ottawa Journal*, Dec. 11 and 17, 1943.

thirty-two candidates in the field (most of them under the label, "New Democracy"). The committee agreed with Hansell that the matter should be referred back to the board of governors for reconsideration.⁵⁰

Early in May the board met again and doubled the amount of time that was to be allocated to the federal parties – two half-hour periods a month instead of one. It also asked the parliamentary committee to suggest how the status of national political parties should be determined for inclusion in the series between elections. The board said it could not find any better definition than the one agreed upon by the political parties in 1939. The committee of 1944 did not suggest any alternative.⁵¹

The CBC began the first cycle of free-time broadcasts on May 31, 1944, with the Social Credit party given representation. These were suspended with the calling of the general election in April 1945, and a series of election campaign broadcasts scheduled. By this time, Social Credit had held a national convention, and had chosen Solon Low as its national leader. In the election of 1945, the distribution of time was: Liberals, 35 per cent; Progressive Conservatives, 27 per cent; CCF, 24 per cent; and Social Credit, 7 per cent. In 1946 when a meeting of the parties was held to resume the between-election broadcasts, it was the Liberals who objected; they argued that the broadcasts should not be on while the House was in session – there would be "two public forums going on at the same time." The CBC ignored their protests, and the Liberals agreed to participate.

During the last year of the war, the CBC in large part regained the political independence of the government it had shown in its first three years⁵² – partly because of the criticisms made of it, beginning with the Parliamentary Committee of 1942, and the surveillance of the Conservative opposition, and partly because of the greater determination of the program staff, especially the younger program supervisors in news, public affairs, and drama, to demonstrate their independence. The CBC was conscious, too, that its programs were listened to and appreciated during the war years, and that no one was suggesting that it be eliminated. Its revenues were secure, and it was quite easily able to stay within its budgets; the loans it had received earlier from the government were

50 / *1944 Proceedings*, pp. 182–6.

51 / *Ibid.*, pp. 265–6.

52 / At the end of the war there were two instances of CBC decisions resulting from political pressure. In 1945, after government protests, the CBC suddenly cancelled plans to send to the United Nations' founding conference in San Francisco not only its supervisor of public affairs, Neil Morrison, but also two commentators to whom objection was taken, Willson Woodside and Elmore Philpott. Later, as the result of political criticisms, Philpott's commentaries were entirely discontinued. Interview with N. M. Morrison, July 21, 1967.

paid back ahead of time. Nor was there any dependence upon the goodwill of the minister or the government for new capital construction; that was impossible in wartime anyway. Altogether, there was little need to go to unusual lengths to curry favour with the government. The CBC's independent status had been upheld by three successive parliamentary committees, and the government was not receiving any large volume of complaints about the programs that were offered. In fact, after four years of war, there was rather general agreement that the CBC had acquitted itself well in meeting the needs of Canadian listeners.

8 *Programs in Wartime*

During the war the CBC as a programming agency came of age. It succeeded in attracting mass audiences and, as each year went by, it was more successful in appealing to the discriminating listener as well. In spite of the hard things said of him in 1942, Gladstone Murray knew what he was about in broadcasting, and the work begun under his leadership was continued and extended under his successors.

A survey carried out by a research organization at the end of 1940 in Quebec and Ontario showed that on the basis of what programs people listened to and what they liked, "the Canadian Broadcasting Corporation is doing good work in both Quebec and Ontario." Acceptance and support had gone so far among French-speaking listeners that the report concluded, "It would be difficult to organize attacks upon its activities in Quebec." While CBC stations and programs were listened to in Ontario also, there was less tendency to praise the CBC there; NBC, CBS and commercial broadcasters tended to be given more credit. But "judged on the basis both of its American programmes and its Canadian production, the C.B.C. is giving people more of what they desire than are independent or American stations."⁵³

According to the survey, the principal field in which Ontario listeners felt that American stations were superior to Canadian was that of news broadcasts. Just after the survey was completed, CBC set up its own news department to avoid relying on bulletins written for radio by Canadian Press. CBC news rapidly won a very large audience, particularly as it was supplemented with direct reports received from a CBC overseas unit.

53 / Opinion Surveys Ltd., "A Study of Radio Listening Habits made for the Canadian Broadcasting Corporation" (Montreal, Feb. 1941), pp. 6, 21. The survey, organized by Professor E. C. Webster, was based on more than 1,000 respondents in each province. Those who conducted the interviews did not know that the survey was on behalf of the CBC.

As a reader of the news, Lorne Greene had the best known voice in the country, and the overseas reports from men such as Matthew Halton, Peter Stursberg, Marcel Ouimet, Bill Herbert, and Gerry Wilmot had an avid following.

This was also the period of the big feature broadcast, some of them sponsored by departments of the government – Victory Loan broadcasts, “Comrades in Arms,” “Fighting Navy,” “‘L’ for Lanky,” and so on. Series of talks relating to the war also had a very large audience. Copies of “Let’s Face the Facts,” and “We Have Been There,” two such series, were distributed in the thousands. Whole new departments were established for farm broadcasts, school broadcasts, children’s programs, and, in the French Network, “Radio-Collège.” It was the period of radio forums: “National Farm Radio Forum” and “Citizens’ Forum” in particular won a great deal of attention. But it was perhaps in the field of drama that the CBC made its greatest advance. Andrew Allan began his “Stage” series in January 1944, and created a new habit in listening on Sunday evenings that lasted for over a decade.

The report of the 1944 Radio Committee gave a considerable amount of attention to programs. It said:

In modern wartime, radio is a new and important weapon. By it the changing aspects of the war are brought to our people at home and the folks in Canada are kept in touch with the Canadian troops overseas, and the troops in the United Kingdom and any battle theatres, are kept in touch with the folks at home. As a vital morale builder, the nation has no more powerful instrument.

Special mention should be made of the C.B.C. Overseas Unit. ... Regardless of risk to both correspondents and engineers the units of CBC in the field have by voice given Canadians at home a graphic picture of the heroic part played by our men on the fighting front. For this the Committee congratulate and commend them. ...

The matter of news broadcasts has been the subject of much comment and criticism. ... Your Committee is of the opinion that Canadian listeners are receiving a service that is not surpassed in any other country, and that the news is given with accuracy and fairness.⁵⁴

But the networks retained a full complement of commercial programs as well, and many of these were American. This aspect provided both the basis for co-operation between CBC and its private affiliates, and the basis for the contention of the private station owners that the CBC was their competitor and should therefore not be the Canadian regulating authority. The popularity of the CBC had grown; but the prosperity of the private stations had grown even faster. A real contest was shaping up.

54 / 1944 *Proceedings*, pp. 553–4.

14 PRIVATE BROADCASTING, 1939–1945

WHEN THE WAR BEGAN, the position of private stations in the broadcasting system seemed clear. There were about 75 of these stations, compared with ten CBC stations. But since it was agreed that their job was to provide local service, most of them were of relatively low power – 1000 watts or less. About 60 had an affiliation with a CBC network: in 1942, 26 were affiliated as basic stations of the network, and released on an average about eight hours a day of CBC sustaining programs; another 35 were supplementary stations which were added to the networks for particular programs, often at the request of a sponsor.¹

During the war the amount of advertising on radio stations increased by leaps and bounds. The magazine *Canadian Business* estimated that the total revenue from advertising was \$2,500,000 in 1938, and \$4,500,000 in 1940.² The president of the Canadian Association of Broadcasters estimated that in 1941 the total advertising revenue was about \$6,000,000.³ This rapid increase is reflected in the CBC's gross billings:

Year ended March	Amount (\$)
1939	1,196,000
1941	1,970,000
1943	2,573,000
1945	3,601,000 ⁴

From these revenues, the CBC paid out the following amounts to its private station affiliates:

Year ended March	Amount (\$)
1939	288,000
1941	600,000
1943	788,000
1945	1,164,000

1 / *1942 Proceedings*, pp. 231–2.

2 / "Profits in the Air," *Canadian Business*, March 1941, p. 24.

3 / *1942 Proceedings*, p. 1002.

4 / "The Commercial Activities of the Networks and Stations of the Canadian

Most of the stations that had no CBC affiliation – about a dozen – were situated in the larger cities where listeners could receive CBC programs from another station. These unaffiliated or “independent” stations were therefore in the lucrative markets, and usually had no difficulty selling enough time to return a profit. Three or four of them had an affiliation with a US network, and this made it very easy for them to attract advertisers.

Considering the relatively small capital invested, broadcasting was now deemed to be a highly profitable enterprise. Moreover, because of the control exercised in granting licences for new stations, there was little chance that unexpected competitors would spring up to capture a share of the advertising appropriations. Even if the licensing policy had been changed, a wartime shortage of equipment would have prevented new stations from starting up. At the beginning of 1944 there were only three or four more stations than there were in 1940. Another dozen stations began operation in 1944–5, but the total number of private stations was still only about ninety.

The CBC not only shared commercial revenue with its private affiliates, but was for these stations an important source of programs, commercial and sustaining. Indeed, throughout the war non-affiliated stations were permitted to join the network to receive programs thought to be of national interest or importance. The result was that many of the smaller stations were quite satisfied with the system as it was. They may even have been in a majority; but the leadership in their organization, the Canadian Association of Broadcasters, was provided by the larger stations, with more capital, more important contacts, and more ambitions. And because of the increase in newspaper ownership of stations, and centralization in management, the CAB’s effort to change the system was given added impetus and support by a majority of Canadian newspapers.

1 Elements in the Private-Station Power Structure

In assessing the influence of particular interests among the owners of private stations, we should look at: (1) a few larger stations in metropolitan areas that had a head start in station power or in affiliation with American networks; (2) the rapid growth of the Roy Thomson enterprises; (3) the increased interest in broadcasting of two publishing

Broadcasting Corporation, 1936–1965,” statement prepared by CBC Sales Policy and Planning (Ottawa, Sept. 1, 1965, mimeo.), p. 35.

chains, the Southam and Sifton companies; (4) the links between Sifton, Southam, the management firm of Taylor, Pearson and Carson, and the group of stations represented by All-Canada Radio Facilities; and (5) other newspaper publishers with a direct interest in broadcasting.

Among the older and larger private stations, CFRB in Toronto and CKAC in Montreal were pre-eminent. CFRB had been a station of 10,000 watts for a decade; it occupied one of the "clear channels" that Canada had been assigned at Havana, and the station was obviously hopeful of increasing its power to 50,000 watts as soon as the war was over. It vied with CBL (the CBC station in Toronto) for the largest listening audience in English-speaking Canada; and it was usually considered to be the most prosperous station in the country, and probably the best-run. Its president and manager was Harry Sedgwick, who was president of the Canadian Association of Broadcasters from 1935 to 1941, when he was named to the new office of chairman of the board (in which he continued until 1948). In addition to owning a share of CFRB, Sedgwick had an interest in CKLW, the 5000-watt station in Windsor.

Harry Sedgwick's brother, Joseph Sedgwick, a well-known lawyer in Toronto, was not only a force in the Conservative party, but counsel for the Canadian Association of Broadcasters. The Sedgwicks had taken a prominent part in promoting the idea of a Canadian network that would be affiliated with CBS, with which CFRB was already affiliated. Although that proposal in 1939 did not get anywhere, CFRB still hoped that at least private station hook-ups would be permitted without reference to the CBC, and thus the station was always active in advocating removal of the CBC's regulatory authority.

Station CKAC, which was owned by *La Presse*, was still powered at only 5000 watts, but it was by all odds the most important private station in the province of Quebec, and it continued to aspire to be the key station of a provincial network. The owners of *La Presse* were important Liberals, and always had a certain influence with members of the government and even, it was suggested, with one of the members of the CBC Board of Governors. CKAC also had an affiliation with CBS, but as it developed more exclusively as a French station it was not able to relay as many CBS programs as CFRB. The manager of CKAC, Phil Lalonde, was on the CAB Board of Directors every year except three between 1937 and 1951.⁵ *La Presse* during these years also owned another Montreal newspaper, *La Patrie*, and its station, CHLP – the only other French private station in Montreal.

⁵ / The directors of the CAB up to 1956 are listed in a CAB booklet, *It's Your Industry* (Ottawa, 1958).

Among the more profitable private stations independent of any other station, and not affiliated with the CBC's Trans-Canada Network, was CFCN, Calgary. Although unable to secure an American network affiliation in 1932, it had been allowed an increase of power to 10,000 watts; no other station in Alberta had a power greater than 1000 watts. Its owner, H. G. Love, was a director of CAB each year from 1935 to 1941 save one (during these years there were eight members on the board of the CAB, including the president). For a few years after 1941, Love's place on the board tended to be taken by G. R. A. Rice, another "independent station" owner from Edmonton.

Roy Thomson in the 1930's had established stations in North Bay, Kirkland Lake, and Timmins. In 1942 he joined with Senator Rupert Davies, owner of the *Peterborough Examiner*, to establish a station in Peterborough. The Radio Committee of that year recommended that "except in the most unusual circumstances, no one shall hold more than one license." Thomson already had publishing interests, and the government's action in 1943 restricting an increase in multiple ownership of stations led him to concentrate on expanding his newspaper rather than his broadcasting interests. Nevertheless, by the end of the war his company, Northern Broadcasting, managed or had interests in several other stations – for example, Kingston, Rouyn, Val d'Or, and Amos. Thomson's firm of station representatives, National Broadcast Sales, also represented a station in Toronto that a Northern Broadcasting alumnus, Jack Kent Cooke, bought from Henry Gooderham. As a representative of Northern Broadcasting, Cooke was a member of the CAB board from 1942 to 1944.

The first broadcasting station to be acquired by the Siftons was CKCK, Regina, which came with their purchase of the *Leader-Post* in 1928. After Victor Sifton returned to Winnipeg from Regina, the Siftons bought two stations from the James A. Richardson estate in 1940: CJRM, Regina, and CJRC, Winnipeg. They were put under a new company, Transcanada Communications, Limited, of which Victor Sifton was president. (Three years later the call letters were changed to CKRM and CKRC.) In Regina there was a complete Sifton monopoly: as well as a farm weekly (the *Saskatchewan Farmer*), the Siftons owned the only daily newspaper in the city, and both radio stations. Elsewhere in the province they owned the *Saskatoon Star-Phoenix* and from Winnipeg they published the weekly newspaper with the largest circulation in the prairies, the *Free Press Prairie Farmer*. All the Sifton papers were strongly Liberal. It was a situation without parallel in Canada. The CBC or the government might have been expected to act to prevent the purchase of

the second Regina station by the Siftons; but under the Broadcasting Act the CBC did not have this power, and the Radio Act of 1938 did not require stations to get the minister's permission to sell or transfer shares. (In 1943, following a recommendation of the Radio Committee of the previous year, such permission was made mandatory. And except with the permission of the minister, "given upon the recommendation of the Canadian Broadcasting Corporation," no person or company was to be licensed to operate more than one station.)⁶

Southam newspapers had licences for broadcasting stations from 1922 on: CFAC (the *Calgary Daily Herald*), CJCA (the *Edmonton Journal*), CKCD (the *Vancouver Daily Province*), and CJNC (the *Winnipeg Tribune*). The Winnipeg station was discontinued after a few months, and the Vancouver station in 1939. But both the Edmonton and Calgary stations continued as profitable enterprises. In the 1930's, by agreement with the newspapers, the operation of these two stations was taken over by Taylor, Pearson and Carson, a firm just beginning to expand its broadcasting interests.

An article in *Canadian Business* relates how the firm of Taylor, Pearson and Carson got started: "In 1924, an automobile supply jobber, Harold R. Carson of Calgary, and his partners bought an interest in a small broadcasting station at Lethbridge. In the next few years Carson made deals with owners of broadcasting stations, buying an interest here, arranging to operate there, till in 1936 he operated for the owners seven stations in western Canada."⁷ In these first years, the Carson stations depended mostly on local advertisers. But on a trip to the United States Carson found that in similar American stations about forty per cent of their business came from national advertising. Carson concluded that he should have someone in eastern Canada looking after accounts there. He tried hiring a representative, but then decided it would be better to send some of his own staff to set up in Toronto, later in Montreal, a firm called All-Canada Radio Facilities Ltd. All-Canada did more than sell time on the stations owned or operated by Carson; it bought up Canadian rights to dramatized recorded shows such as Lone Ranger, Green Hornet, Tarzan, and so on. In 1941 national advertisers accounted for approximately half of the time sold on the Taylor, Pearson and Carson stations; and All-Canada represented twenty-eight stations from coast to coast.

In addition to the three Alberta stations that Carson and his partners

6 / Amendment to Radio Regulation 31, under the Radio Act; *1943 Proceedings*, p. 197.

7 / "Profits in the Air," *Canadian Business*, March 1941, pp. 80-2.

managed (Lethbridge, Calgary, and Edmonton), they operated the three Sifton stations (in Regina and Winnipeg); CKWX in Vancouver, CJVI in Victoria, CKOC in Hamilton, and CJCS in Stratford. H. R. Carson was on the board of directors of the CAB for four successive years during the war; in other years before and after this, the board included at least one of the managers of his stations (F. H. Elphicke, Gerry Gaetz, William Guild). A few interests, therefore, held at least half of the directorships in the Canadian Association of Broadcasters: the two most prosperous stations, CFRB and CKAC; station CFCN or station CFRN in Alberta; and Taylor, Pearson and Carson.

In 1942 twenty-six stations, or about one-third of the private stations, were listed as being owned by or associated with newspapers.⁸ Thus it was fairly easy to see that any campaign conducted by or on behalf of the private stations found reflection in a fair number of the country's newspapers.

2 What the Private Stations Wanted in 1940–1942

Although nearly every station shared in radio's wartime prosperity, there were some conditions that private owners wanted to have changed. There were certain objectives on which all stations agreed – for example, removal or reduction of restrictions on playing records and transcriptions; but certain other objectives were not unanimously supported – for example, the effort to take control of networks out of the hands of the Canadian Broadcasting Corporation, or to make the CBC less commercial. The CAB in 1939 had failed in its effort to establish a private network; now it turned to matters on which there was common agreement among its members.

At the beginning of the war, The Canadian Press urged the CBC Board of Governors to restrict the sponsorship of broadcast news. The CAB argued that any prohibition of sponsored news would mean a loss of revenue to stations of approximately \$500,000 a year.⁹ In the end the CBC allowed two mentions of the sponsor, before and after the news bulletin, but prohibited advertising content in the body of a newscast. The CAB objected to the regulation prohibiting the use of transcriptions in the hours between 7.30 and 11.00 pm. In 1940 this regulation was softened: any station was allowed to use one-half hour of such programs within this period provided that its annual expenditure on live talent

⁸ / *1942 Proceedings*, p. 693.

⁹ / *Plaunt Papers*, box 16, Minutes of Fourteenth Meeting of CBC Board of Governors, April 15–16, 1940.

satisfied the corporation's requirements.¹⁰ Also in 1940 the stations won a slight modification in the regulation prohibiting the mention of prices in radio advertising; the CBC now allowed mention of prices not exceeding one dollar in connection with premium merchandising offers.

In public speeches Gladstone Murray referred to the "growingly fruitful co-operation" between the CBC and the Canadian Association of Broadcasters.¹¹ Just after he left the CBC, he referred to regulation by edict as a poor way to improve commercial radio: "a better way would be by consultation and agreement with the various interests concerned, the advertiser, the advertising agent, the radio station representative, the station management, and the CBC in its supervisory capacity."¹² Years later, he wrote of a conspiracy in the early days of the CBC "to abolish private radio and give the CBC monopoly-control throughout Canada."¹³ Although the records do not bear out the charge of such a conspiracy, presumably in his last two or three years with the CBC Murray was doing his best to promote the idea that the broadcasting system represented a partnership between the CBC and private stations, and that each must be prepared to make concessions to the other.

In 1941 the private broadcasters began to ready themselves for a more important assault. In February the Canadian Association of Broadcasters hired Glen Bannerman as its full-time president and general manager. And in January 1942, the *Canadian Broadcaster* began publication as their unofficial trade journal. Bannerman appeared before the Parliamentary Committee of 1942 on behalf of the CAB. He did not make a demand for any fundamental change in the broadcasting system. Rather, he was intent on emphasizing the valuable community service rendered by private stations, which, he said, must lay claim to a considerable part of the general improvement in broadcasting that had taken place since 1936. But he pounced on a statement made earlier before the committee; when discussing disclosure of CBC internal affairs, the minister, Thorson, had said, "Why put our corporation in the disadvantageous position, vis-a-vis its competitor?" Bannerman capitalized on this to drive his point home:

This is the first occasion so far as can be recalled that the position of the privately-owned stations has been clearly placed by a responsible person as that of a competitor of the Canadian Broadcasting Corporation. Under these circumstances the Broadcasting Act of 1936 places the competitor (the CBC)

10 / *CBC Annual Report*, March 31, 1941, p. 22.

11 / "Broadcasting—Everybody's Business," speech to the Ottawa Canadian Club, Jan. 14, 1942.

12 / Murray, "Riddles of Canadian Radio," *Saturday Night*, May 15, 1943, p. 19.

13 / Letter to the *Globe and Mail*, Aug. 27, 1958.

in the position of making the rules and regulating its competitor. ... The situation is comparable to the conditions that would exist if the Board of Directors of the Canadian National Railway made the rules and regulated the provisions under which the Canadian Pacific Railway must operate.¹⁴

Those wanting a fundamental change liked comparing the private stations with the CPR, but on this occasion the CAB was content to press for certain “adjustments” – regarding the use of transcriptions, the ban on price mention, sponsorship of newscasts, the linking up of two or more stations for specific programs without special permission, and an increase in the power allowed private stations. In fact, Bannerman said, if these necessary adjustments were made, “the present pattern of Canadian broadcasting, that is, a government-operated system with privately-owned station competition, is sound in principle ... and will continue to serve Canadians with increasing usefulness.”¹⁵

The 1942 committee was not very sympathetic to the private stations’ representations. Not only did it reaffirm the principles by which the CBC was the single national authority, which was to own all high-powered stations and control all networks, but it raised questions about the performance of the private stations within the system so established. It noted that their financial position had improved substantially, and asked the CBC to consider whether they had improved their service correspondingly. It asked the CBC to consider also whether American network affiliations were in the national interest. And it recommended against multiple holdings by one owner, suggesting that the minister and the CBC should have the power to secure all the information necessary to enforce this provision. If necessary, the financial position of stations should be examined to see “if the public services rendered by them is commensurate with the direct and indirect profits and advantages enjoyed by them from the right to use a broadcasting channel.”¹⁶

Following presentation of the committee’s report, the *Canadian Forum* ran a series of articles by “R. B. Tolbridge” roasting the management of the CBC for irregularities within the corporation, and for appeasing private interests:

Evidence taken by the parliamentary committee shows that instead of using its authority to restrict private stations to a subsidiary and local role on a public service basis, the Corporation has permitted them to strengthen their position and steadily increase their profits. It has done little, if anything, to regulate their commercial programs, but has permitted the advertiser’s concept of what is profitable ... to prevail. At the same time it has continued

14 / *1942 Proceedings*, p. 984.

15 / *Ibid.*, p. 996.

16 / *Ibid.*, pp. 1087–96.

to subsidize the private stations through its own original and advertiser-sponsored programs. ...

Moreover, there are indications that the private stations have not abandoned their hope of inducing the CBC to sanction competing private networks. ... What has happened to the "planned alternatives for the listener" on its own networks which formed a part of the basic policy laid down by the board?¹⁷

Saturday Night published a rejoinder by Joseph Sedgwick under the title, "A Defence of Competition in Radio."¹⁸ He argued that private enterprise pioneered radio when licences "were going begging," and that the improved conditions since were the result of the co-operation of CBC with private interests, "and what is equally important, the competition of those interests with C.B.C. for talent and for audience." The present system of competition, Sedgwick maintained, at least gave the listener variety and choice. Advertising caters to public taste; advertising "has made radio in America the bright, topical, attractive entertainment that it is today." He continued:

Bearing all that in mind, C.B.C. has adopted the sensible attitude. It has brought the Canadian audience back to Canadian stations; it has been fair to the Canadian advertiser by permitting him to use radio about as his U.S. competitor is allowed to use it and it has encouraged the private station to compete with it, knowing that by free and fair competition all radio broadcasting is improved. ... Such a system ensures ... that broadcasting will never get far away from the people it serves.

Here in Canada we have devised a system that may well serve as a model for the world. ... Out of the two systems, not opposed and essentially a whole, will emerge, is already emerging, a pattern of broadcasting that will I venture to think be widely copied in the post-war world or in so much of it as is free.

Sedgwick was defending the Canadian broadcasting system as he understood it, or as he wanted it to be: not one system, really, but two, in which public and private radio would be equal competitors, and an advertising rationale would give the people what they wanted. This was not the concept that Parliament had adopted when it enacted the broadcasting legislation in 1936; and in 1942 Parliament had not yet changed its views.

3 *What the Private Stations Wanted in 1943*

Having suffered a rebuff in 1942, the private stations put more effort into winning public support before their representative appeared before the committee of the following year. The annual meeting of the CAR

17 / "Sabotaging the CBC," *Canadian Forum*, Sept. 1942, p. 175.

18 / *Saturday Night*, Nov. 21, 1942, pp. 18-9.

appointed a public relations committee, which undertook three measures: encouraging member stations to use the “independent station break” (This is station WXYZ, “independently owned and operated for the good of the listener”); encouraging them to institute “Meet the Management” programs; and arranging for special publicity in national periodicals.

In May 1943 the *Financial Post* brought out an eight-page section devoted entirely to private radio, timed to appear just before the Radio Committee began its hearings. Several articles praised the private stations as pioneers of radio development, and denounced the CBC as an autocratic overlord regulating its “competitors”: “Independent radio’s capacity to serve its public has been frozen by its competitor. ... Its stations are compelled by the competitor to remain limited in size and power, while the CBC program calls for a big network of super-power stations blanketing the whole of Canada. ... The Canadian Broadcasting Corporation is both the competitor of the independents and their policeman.”¹⁹

The section contained advertisements by forty-four stations, by All-Canada Radio Facilities, and by the *Canadian Broadcaster*. The advertisement for station CFCN, Calgary, had this message:

After twenty-one years of pioneering, do we lose the homestead? Will private enterprise survive (with its facilities available to all citizens) or will public ownership engulf radio ... become innoculated (à la Hitler) with bureaucratic and discriminating tendencies to limit facilities to sympathizers and stooges, and free speech become but a cherished memory?

Private radio is the only guarantee of impartial service to all factions.²⁰

The *Canadian Broadcaster* tried several months later to assess the weaknesses of this publicity effort:

This venture added up to a moving outburst of mutual admiration. You see, those charged with the preparation of the material painted a tragic picture of an abused radio, struggling pitifully against the spectre of government interference, and still delivering its programs in spite of all. ... The large number of radio stations’ advertisements carried in this “special” made it apparent to any reader that the whole thing was a “you-scratch-my-back-and-I’ll-scratch-yours” proposition. Had it been possible for the ads to be carried in another issue, or better still, had they been run, a few a week, until they had used up the necessary amount of money, the whole effort might have appeared more convincing.²¹

More references were appearing in editorials and in the speeches of opposition members to the unfairness of the CBC’s position as “cop and

19 / Robert C. Stark, “Independent Canadian Broadcasting Faces New and Widening Frontiers,” *Financial Post*, May 22, 1943, p. 13.

20 / *Financial Post*, May 22, 1943, p. 17.

21 / “A Free Radio Is Everybody’s Business,” *Canadian Broadcaster*, Feb. 1944, p. 20.

competitor." The CBC's error in judgment regarding the Conservative convention was grist for the mill, and a number of Conservative members of parliament echoed Meighen's complaints. In the Commons debate preceding the setting up of the Radio Committee in 1943, the Conservative house leader, Gordon Graydon, did not commit himself on the advisability of modifying the system, but E. G. Hansell (Social Credit) and D. G. Ross (Progressive Conservative) both criticized the regulatory function of the CBC.²²

The CAB decided to press for two main things in 1943, through its counsel, Joseph Sedgwick. It asked that "independent stations be assured of the continuance of their licenses so long as they operate with due regard to public interest, convenience, and necessity"; and that "the independent stations ... be permitted to increase their power and to arrange multiple station hookups."²³

In leading up to the first request, Sedgwick suggested that after the Aird Report, the private stations "were continuously threatened but they continued to operate." Now they were discouraged by last year's "re-statement of the sentiment for nationalization of radio," when the report said, quite bluntly: "The private broadcasting stations have no vested interest in the sound-waves they are allowed to use. The government and the corporation should not hesitate to terminate any licenses when it is in the public interest to do so."²⁴ The implication of the CAB's first request was that the CBC should be shorn of its power to recommend discontinuance of a station's licence, with tenure of private stations to be made permanent by law, conditional on a court's interpretation of whether or not they were operating "with due regard to public interest, convenience, and necessity."²⁵

The second request, for permission to form networks and to increase the stations' power, was not new. But Sedgwick argued that there was no "immediate and certain connection" between increased power and increased profits; the main objective was to give better service to the listener. He brought in an expert witness, B. de F. Bayly, a professor of electrical engineering, to testify that if Canadian stations were not allowed soon to bring their power up to the limits envisaged by the Havana agreement, Canada would lose a great deal of the potential radio coverage granted to it.²⁶

22 / *Debates*, May 7, 1943, pp. 2495, 2498.

23 / *1943 Proceedings*, p. 246.

24 / *Ibid.*, p. 200.

25 / See "Private Radio Whets Its Knife," by "R. B. Tolbridge," *Canadian Forum*, Nov. 1943, p. 176.

26 / *1943 Proceedings*, evidence of B. de F. Bayly, pp. 212-3.

Sedgwick and Professor Bayly were the last witnesses called – this was regarded as a master-stroke in the CAB’s strategy – and the CBC had no chance to reply to their contention that Canadian stations were in danger of losing their rights to increased power. The committee’s report recommended that the CBC should “safeguard these channels and, if necessary, consider increasing the power of all stations to the limit of the agreement.”

The 1943 committee made no recommendation to meet the first request about permanent station licences; it rejected the second request specifically by reiterating that the corporation was to have exclusive control of networks. The report did, however, quote the CAB’s principal requests, and it recommended that the CBC’s control over the private stations “be exercised with fairness.”²⁷

The inclusion of the CAB’s summary of requests in the final report of the Radio Committee of 1943 had its uses. The following February, the Conservative member for Toronto–St. Paul’s, D. G. Ross, told the House of Commons that the committee had recommended “that the independent stations be encouraged to improve their facilities and that they be permitted to increase their power and to arrange for multiple station hook-ups, and generally do anything that makes for better broadcasting in the public interest.”²⁸ He repeated this in the Committee of 1944.²⁹ On neither occasion did any member catch on to the fact that these were not recommendations to the House, but appeared in the 1943 report only as a restatement of the CAB’s requests.

4 *The CAB and the Committee of 1944*

The private broadcasters had made a partial gain in the Radio Committee of 1943. In the light of events that took place at the end of that year, the CBC seemed to be in an especially vulnerable position and the CAB prepared to press their advantage.

Almost everyone had condemned the minister’s intervention at the beginning of “Citizens’ Forum.” The government was embarrassed, and the acting general manager, Dr. Frigon, had been made to look weak and foolish. Then, immediately after that, the CBC had unwisely withdrawn a tentative arrangement to broadcast Bracken’s speech from the dinner in Hamilton. It was a long time since the CBC had suffered so

27 / *Ibid.*, p. 261.

28 / *Debates*, Feb. 3, 1944, p. 173.

29 / *1944 Proceedings*, p. 20.

many attacks in the press. One of the editorials published at the end of 1943 was more significant than any other, because it not only criticized the management of CBC for its mistakes, but seemed to presage an entire change of attitude toward the broadcasting system as a whole. This was an editorial of the *Winnipeg Free Press* that appeared on December 4. The *Free Press* had been running a number of editorials about political intervention in the "Citizens' Forum" plans, but on this occasion a new note was struck:

The time may now be ripe, in the light of seven years of experience ... to revise the Act of 1936. ...

Experience has revealed weaknesses in the machinery. Is it reasonable to suppose that the right of free speech on the air can be assured in practice under the present act? ... The Citizens' Forum incident is a sharp reminder of the weaknesses inherent in public ownership when that principle creates either a monopoly of operation or—as is the case now—a monopoly of control and regulation. ...

The problem might be solved by creating a semi-judicial body to take over the functions of control and regulation divorced completely from all responsibilities for operation, leaving the CBC free to devote its whole attention to the operation of its own network. Before such a body the CBC and the private stations would stand as equals as the railway companies do before the Transport Board. ...

The CBC is needed in Canada. ... Its destruction would be a calamity. But a change in the present system of control would ensure, to a far greater extent than at present exists, a check upon its possible use as a political monopolist weapon by government. The good effects of competition, the vital principle of freedom would be strengthened. ... The necessary control of the character and quality of broadcasting of other stations, if they were freed from the direct regulation of the CBC, would be exercised by the normal economic efforts of station managers to attract listeners to their stations. ... Once competitive forces are allowed to enter, the kind of situation that has arisen over the Citizens' Forum could not develop.³⁰

This reversal of the *Free Press* editorial policy amazed some of those who knew the opinions of J. W. Dafoe, the editor, and George Ferguson, the managing editor.³¹ (Dafoe died a month later.) But Victor Sifton for some time had been trying to get the editorial policy on broadcasting changed; and he wrote this editorial himself.³²

Another Liberal newspaper, the *Vancouver Sun*, a few months earlier had declared, "our Canadian Radio is not good enough." Decrying the lack of controversy, the *Sun* said that the private stations could not

30 / *Winnipeg Free Press*, "Modes of Reform for the CBC," Dec. 4, 1943.

31 / Letter from E. A. Pickering to G. V. Ferguson, Dec. 9, 1943; copy in Plaunt Papers, box 10.

32 / Letters from G. V. Ferguson to the author, May 31 and June 29, 1966.

provide it: "How can they? The private stations are under the control of their competitor. ... The private station is in the position of a store-keeper whose big competitor next door is also the lawmaker, the regulator, the policeman. Finally, the private station can be put out of business at the end of the year by the CBC by the cancellation of its license."³³ The *Montreal Gazette* had generally supported the Broadcasting Act of 1936, and it had praised the Radio Committee's report in 1942. In December 1943, it spoke of "several basic defects of the present structure of radio in Canada," in which it included the "rigid and arbitrary state control" of the private stations. The *Canadian Broadcaster* quoted similar opinions from the *Saskatoon Star-Phoenix*, the *Ottawa Journal*, and the *Edmonton Journal*.³⁴ The *Globe and Mail* and the *Telegram* in Toronto continued their strong criticisms of the CBC and the broadcasting system.

One of the things that spurred new opposition on the part of the press was the CBC's decision to open the Dominion Network as a second English network. An alternative program service had been discussed for some time. Sponsors and stations without network affiliations had been pressing for more network time than the single Trans-Canada Network could provide. The new network opened on January 2, 1944.

The *Financial Post* said that the CBC's announcement of a second nation-wide network meant that it wanted "greater facilities to handle commercial business," and "firmer control over a large group of privately owned radio stations, over their commercial business and over the kind of programs and comment which they choose to make available to the public." The *Canadian Broadcaster* also opposed another CBC network and warned the private stations against selling their birthright to freedom for a mess of American commercial programs.³⁵ It was too late: most of the stations invited by the CBC had already signed up.

In the House of Commons also there were signs of growing opposition to the broadcasting structure. The Conservative House Leader, Gordon Graydon, warned that "the C.B.C. has lost the confidence of the people of Canada. ... Unless something is done right now, we are apt to have a complete collapse of the whole structure which was so well established in the earlier days of radio."³⁶ John Diefenbaker added:

Since the national radio in recent years has become ever increasingly commercial in its scope and activities, there must be set up a new type of

33 / Editorial reprinted in *Montreal Gazette*, July 5, 1943.

34 / *Canadian Broadcaster*, March and April 1944.

35 / *Financial Post*, Dec. 4, 1943; *Canadian Broadcaster*, Jan. 1944.

36 / *Debates*, Jan. 31, 1944, p. 23.

national authority to control broadcasting in this country. ... An independent body should be set up ... similar to the radio commission in the United States. ...

The broadcasting corporation is in the position of being both litigant and judge, both investigator and jury. It is in the position of being, as someone has said, a cop and a competitor.³⁷

Diefenbaker's statement was a very important straw in the wind, presaging a change in Conservative policy on broadcasting that was to be made official three years later.

Under these circumstances, the CAB prepared to make a more forceful presentation of their demands before the Radio Committee of 1944. Glen Bannerman, as president, gave a foretaste to the broadcasters' convention at Quebec City in mid-February. He spoke of "the distinct danger to freedom of the air, to freedom of speech, and to the exchange of ideas" in the present set-up; CBC domination meant that the private operator was at a disadvantage in competing for the national advertiser's dollar. To correct this situation, he suggested two possible alternatives: One, for all radio, public and private, to be placed under a permanent three-man commission similar to the Board of Railway Commissioners; the other, for government to go out of the radio business, and create a board to regulate technical matters and to grant licences.³⁸ The responsible minister, LaFlèche, was a guest at the convention, and heard a list of specific complaints from the stations. The *Canadian Broadcaster*, which tended to think of the CAB's leadership as wishy-washy, spoke of the initiative being taken at long last.³⁹ One important outcome of the meeting arose from a suggestion of Ken Soble, of station CHML, Hamilton. This was the establishment in Ottawa of a bureau to produce the program "Report from Parliament Hill." Individual MP's were invited to record talks on the work of Parliament for transmission to the private stations in their particular constituencies – a very astute public-relations move.

When the committee met, the CBC chairman, René Morin, was asked about the possibility of a separate regulatory board. He said that although the private stations might look upon the CBC as a competitor, the reverse was not true. The CBC did not operate for profit and it imposed upon itself a number of restrictions not applied to private stations. Parliament had always insisted on the importance of a single national authority to

37 / *Ibid.*, Feb. 25, 1944, pp. 866, 872. In 1941 William Paley of CBS had described the FCC Chairman as "complaining witness, prosecutor, judge, jury and hangman, all in one" (column by Dorothy Thompson, *Montreal Gazette*, June 20, 1941).

38 / *Globe and Mail*, Feb. 15, 1944.

39 / *Canadian Broadcaster*, March 1944.

control all broadcasting in the public interest. And there was a practical difficulty: if the CBC were placed in a position of having to compete with private stations to “obtain the popular ear,” it would have to reduce its broadcasts of a generally educational nature. Morin added that he knew of no particular reason why the private broadcasters were justified in demanding a separate board “except perhaps in order to have greater freedom in making money.”⁴⁰ (The *Canadian Broadcaster*, dubbing him “Canada’s Radio Czar,” demanded: “Who is this man Morin, this self-appointed oracle who has the effrontery to declare that Canadians shall have no say in the programming of Canada’s own broadcasting system?”)⁴¹

When Joseph Sedgwick presented the CAB’s case, he quoted LaFlèche as saying there would be a satisfying future for all radio stations, and that publicly owned radio was not a monopoly. Sedgwick argued that if the CBC was not to be a monopoly, “then the facilities for competition must be opened.” Then, reading something else into LaFlèche’s words, he said, “We do believe with the minister that Canada will be best served by a dual system which, under present controls, does not exist and could not effectively operate.”⁴² For the first time, the CAB made a formal request that regulatory powers should be committed to an “impartial and judicial body.” Private stations should be given immediate permission to increase their power to the “practical limits”; they should be not merely permitted but encouraged to establish networks among themselves. As between the public and private systems, there should be “a fair division” of station outlets and US network affiliations. The CBC should be confined to the operation of its own stations and to network broadcasting over stations other than its own “by fair affiliation agreements entered into freely as a matter of contract, not as a matter of regulation or compulsion.”⁴³

The CAB’s bid for a fundamental change in the system brought reaction from some voluntary organizations. The Ontario Federation of Home and School Associations sent the committee a copy of a resolution passed at their annual meeting: “Believing that the principle of public ownership of radio far more important than any difficulties arising either outside or inside the Canadian Broadcasting Corporation, the Radio Committee of the Ontario Federation of Home and School Associations recommends that such ownership be protected in every possible way. It

40 / *1944 Proceedings*, pp. 34 and 48.

41 / *Canadian Broadcaster*, April 1944, p. 3.

42 / *1944 Proceedings*, pp. 198–9.

43 / *Ibid.*, pp. 236–7.

urges that appointments be made, and provision for advisory bodies be established which would safeguard the C.B.C. from disintegrating forces of any kind."⁴⁴

H. H. Hannam, president of the Canadian Federation of Agriculture, and Lt. Col. W. H. Brittain, vice-president of the Canadian Association for Adult Education, made an appearance in support of the existing system, which they declared fundamentally sound. Radio was a public utility; national radio was an instrument for achieving national unity, and a means of serving both minority and majority groups. The constitution of the CBC was an appropriate one, and its staff was doing a good job; any weaknesses that might have developed were faults of management and direction, which could be corrected. The CBC should continue to have general regulatory powers over all broadcasting in Canada.⁴⁵

The Periodical Press Association complained about the CBC's increased commercial revenue; this represented an encroachment upon the commercial revenues of the press of Canada. Asked by a Liberal member (Philippe Picard) whether magazines and periodicals would be better off if Canada had a broadcasting system like that of the United States, the spokesman answered: "Where a line of business has to enter into competition with another active commercial competitor the commercial competitor should be on the same basis. ... It is not fair that the press of Canada has to compete with a commercial competitor which does not pay taxes and which has \$3,000,000 in subsidies in the form of license fees."⁴⁶

Frigon, who had been represented in some of the English-language dailies as a weak and temporizing figure, showed unexpected vigour in meeting and refuting charges made against the CBC and the system under which it operated. He was particularly effective in dealing with the CAB's contention that CBC policy was losing for Canada the concessions that had been won in the Havana Agreement. He pointed out that this had not been ratified until 1941, when the wartime freeze on equipment made it impossible for stations to get new transmitters. A final survey had been completed in the fall of 1943, which had been given consideration by the board of governors just two days before. As a result, the CBC was now recommending to the minister of transport "that the ceiling of one kilowatt, which was adopted as a general policy in 1937, should now

44 / *Ibid.*, p. 260.

45 / *Ibid.*, pp. 409-11. The Canadian Congress of Labour applied for a hearing, but an appearance was not arranged.

46 / *Ibid.*, p. 441, evidence of N. R. Perry.

be raised to five kilowatts” – the logical figure to adopt in the light of the Havana Agreement. Forty-six stations would now be able to consider applying for an increase in power to five kilowatts.⁴⁷

So far as relations with the private stations were concerned, Frigon said the CBC had kept in constant touch with them about regulations and other matters that especially concerned them. The principal objection to a private network was that it would inevitably come under the control of a very few individuals. “In the case of the C.B.C., nine Canadians are responsible for network policies. ... Full control of network policy vested in a board of governors such as ours is the best protection against abuses, and offers all the advantages claimed for the dual system advocated by the C.A.B. directorate.” If it could be established that CBC had exercised its powers in such a manner as to make it impossible for private stations to operate profitably, there might be a case for the suggested change. Frigon said he did not know of any private station that had gone bankrupt in the past seven years.⁴⁸

In the committee, Diefenbaker reiterated his point that no semi-judicial body should be “cop and competitor, judge and litigant all at once.” The committee chairman, Dr. McCann, argued that all parties in the past had supported the system, and the man who proposed it originally was R. B. Bennett. Coldwell said: “I think Mr. Diefenbaker’s argument that there should be equality, as it were, before the law falls down in the particular respect that the litigants in this case are not on an equal footing under the law. That law specifically states there shall be one dominant radio corporation in Canada, and the privately owned stations ... are given the privilege of operating subject to the regulations laid down by the regulatory body which is set up by parliament, and which is the C.B.C.”⁴⁹

In a return appearance, Sedgwick admitted that radio stations were at that time “reasonably profitable,” but the essential principle was one of freedom of choice:

I dislike setting myself up as an arbiter of taste, whereas voting goes on every day as to these [commercial] programs. It goes on by the simple practice of turning your thumb and forefinger; people vote on the programs that way. These elections are polled and the polls that are given by the people interested and the people not interested indicate the programs that are popular. I believe in democracy and that means what the people want they are to have within limits.

47 / *Ibid.*, pp. 269–70.

48 / *Ibid.*, pp. 279–80.

49 / *Ibid.*, p. 498.

Frigon answered:

The dominating argument submitted by private broadcasters is that there should be competition. ... "Competition for what?" The answer is "for audience," and there you have the whole matter in a few words. This calls for a race for popularity. ...

If the policy is to reach as many people as possible, then the inclination is to favour popular programs, but if the main purpose is to be useful to the public at large, the popular program becomes only part of the fare and not necessarily the main course. ... We believe it is our main function to complement the popular type of programs, supplied by advertisers, with others, possibly without great popularity appeal but yet essential to the promotion of Canadian broadcasting as part of our national life.

Frigon maintained that the CAB had not given a single example of any occasion on which the CBC had favoured its own stations at the expense of the private stations. The reason for opposing a private network was that there were not the financial means for it to give satisfactory service. The kind of competition CBC welcomed was competition in the production of worthwhile programs.⁵⁰

The committee of 1944 made a fuller examination of alternative systems than any since 1936, but the Liberal majority (joined by Coldwell) brought in a report that firmly plumped for "a single national authority in control of radio." It specifically stated its confidence in the Canadian Broadcasting Act of 1936, and spoke of the unanimity that existed among all parties on the principles underlying the act. It reviewed the contentions of the private broadcasters only to dismiss them. It said: "The Canadian Association of Broadcasters have very evidently forgotten that private broadcasting stations have no vested interest in the radio frequencies they are allowed to use." The committee found that the regulations had been exercised with fairness; then it continued:

Ever since 1928 every parliament, every political party, every parliamentary committee inquiring into the question has been in favour of a system similar to the one we now have. Your Committee are of the opinion that nothing would be gained for the public by having an over-all controlling commission, although the Board of Governors might be specially charged with the duty of making it clear to all concerned that they are prepared to encourage co-operation and concerted action in the national interest following formal hearings of private broadcasters.

Then was added a little stinger:

Your Committee discussed the advisability or necessity of broadening of the terms of reference for future committees on radio broadcasting so that the affairs of the private broadcasters might be investigated as well as those of the Canadian Broadcasting Corporation.⁵¹

50 / *Ibid.*, pp. 506, 521, 523.

51 / *Ibid.*, pp. 551, 556.

The CAB had made its big push to modify the powers of the CBC and to escape from its jurisdiction. It looked as if the CAB had been defeated. But in fact it had made gains. Each parliamentary committee urged the CBC while drafting regulations to take the private stations' wishes into account. The CBC had done so anyway, but the idea had been given currency that the private stations were not sufficiently consulted. More important, the CAB, aided by the mistakes of the CBC board and management, had succeeded in driving a wedge between the two main political parties. From 1944 on Conservative leaders spoke with increasing approval of a separate regulatory board. Especially was this true of George Drew, premier of Ontario after August 1943. Although the CBC in that year began a series of free-time broadcasts for provincial parties, Drew wanted to be heard more frequently. When the CBC turned down his request for a provincial network once a week, Drew retaliated by denouncing over private stations the CBC's "idiotic restrictions."⁵² Although in the next few years Drew was heard on the CBC network more frequently than any other political leader, throughout he kept up his attacks on the corporation and its "monopoly" of radio.

The CAB was also successful in hiding its internal divisions. It did not represent every private station in the country, but it did represent a majority (in 1944, 64 of 78 non-CBC stations). Most of the stations had a CBC network affiliation, but the main leaders in the CAB were from the non-affiliates (Harry Sedgwick, Phil Lalonde, Gordon Love, A. A. Murphy, Dick Rice, Harold Carson). As the then president of the association has said, the CBC-affiliated stations were not especially keen on a private network, and on a number of important questions, the members of CAB disagreed among themselves.⁵³

Glen Bannerman was relieved of his position as president and general manager of the CAB at the beginning of 1946. The CAB's engineering consultant in Toronto, H. S. Dawson, became general manager. A permanent Radio Bureau had been established in Ottawa under T. J. Allard, who had come to the CAB from the Taylor, Pearson and Carson station in Edmonton (CJCA, the station of the *Edmonton Journal*). The private stations' effort would continue.

52 / An example is a talk given by Premier Drew over CFRB, Jan. 11, 1945, reprinted in *Canadian Broadcaster*, Jan. 20, 1945, p. 5.

53 / Glen Bannerman, interviewed by Peter Stursberg, Aug. 10, 1962; recorded interview on file in CBC Program Archives, Toronto.

15 THE POST-WAR STRUGGLE

THE END OF THE WAR brought a revulsion against government controls, in the business community especially, and a hope that the expansion of the economy could continue under normal business auspices. Canada was quite a different nation from the one that had gone to war six years previously. The shift of population from farm to city was increasingly evident, and would sooner or later be reflected in the political life of the country. Many families were enjoying an affluence they had not previously known, not even in the boom years of 1927–8. Canada was becoming a consumer-oriented society, part of the larger industrialized society of North America, based on mass production, mass dissemination of information, mass persuasion. The implications of all these developments for advertising, and for the broadcasting industry founded on advertising, were clear. Here, obviously, was a rapidly expanding sector of the economy, still at an early stage of its development. Television was on the horizon. Those already in radio would probably be in a favoured position for getting into television as well. Applications for new stations and for increases in power flowed into the Department of Transport. And where a shortage of frequencies, or the restrictive policy of the CBC, made it difficult to start a new station, efforts were made to buy stations from existing owners.

1 New Stations and New Owners

In Toronto, there had been only two privately owned stations, CFRB and CKCL. CFRB began as a subsidiary of a radio manufacturing company, the Rogers Majestic Corporation Limited. During the 1930's the broadcasting station had become the profitable end of the radio business, and in 1941 the company therefore disposed of its manufacturing interests. The majority of shares in the parent company (Standard Radio Limited) were at this time held outside the Rogers family, and in later years

control was won by the Argus Corporation, a giant holding company with diversified interests.

The other Toronto station, CKCL, had been started by Henry Gooderham. It was sold in the fall of 1944 to Jack Kent Cooke and associates, for a sum reported to be \$500,000. (Cooke previously had an interest in the Roy Thomson stations at Timmins, Kirkland Lake, North Bay, Rouyn, Val d'Or, Amos, Peterborough and Kingston.)¹ The fact that a station of only 1000 watts, with relatively primitive studios and equipment, could be sold for a half-million dollars showed how valuable was a broadcasting franchise in a good market area.

In October 1945, a third private station in Toronto, CHUM, was started by the former manager of CKCL; but because of the limited frequencies in the Toronto area, it could broadcast during the daylight hours only. The shortage of channels in Toronto resulted in the casting of covetous eyes on the second station operated by the CBC - CJBC, the key station of the Dominion Network. The *Globe and Mail*, which on four occasions since 1936 had attempted to get a broadcasting licence in the Toronto or Hamilton area, opposed the development of CJBC as a 50,000-watt station when plans for this were announced in 1946.² So did Conservative members of parliament from the Toronto area. As Denton Massey complained, "Why not let the advertiser's dollar develop that network?"³

In Montreal two new private stations were established. In 1945 a former commercial manager for the CBC in Quebec, Arthur Dupont, was granted a license for an English-language station, CJAD. Dupont announced that his station would share CBS affiliation with CKAC, which was now broadcasting entirely in French. But the CBC Board of Governors turned down his application, with the statement that "requests for new affiliations of Canadian stations to the United States should not be granted."⁴ In 1946, a second application was approved from Montreal - CKVL, Verdun.

In the Vancouver area, which a few years before was thought to have too many stations, an application was granted in 1944 for a station in New Westminster, CKNW. This station, with a power of 250 watts, was intended to serve the Fraser Valley and the city of New Westminster,

1 / *Financial Post*, Dec. 28, 1946, on the occasion of the sale of *Liberty* magazine to Cooke and Thomson. The selling price for CKCL had been rumoured to be between \$750,000 and a million dollars (*Saturday Night*, Aug. 12, 1944), but Cooke told reporters that the figure was \$500,000.

2 / The *Globe and Mail's* applications are listed in the *1947 Proceedings*, p. 529.

3 / *Debates*, Aug. 30, 1936, p. 5654.

4 / *Gazette*, Nov. 16 and Dec. 7, 1945.

but almost immediately it began an energetic campaign to penetrate the Vancouver market and to get an increase in its authorized power. The Liberal member of parliament for New Westminster, Thomas Reid, supported the station in its effort, appearing for it before the board of governors, and speaking on its behalf in parliamentary committees and in the House of Commons.⁵

Two stations were added in the Winnipeg area, an English-language station, CJOB, and a French-language station in St. Boniface, CKSB. This latter station was not expected to pay its way commercially, and it was established after a campaign for contributions carried on in Quebec as well as in western Canada. (In June 1946, it was reported that \$360,000 had been collected, of which \$193,000 came from dioceses in the province of Quebec. The contributions were intended not only for the station in St. Boniface, but for stations to be established later at Gravelbourg, Prince Albert, and Edmonton.)⁶

In Ottawa, there had been for many years one private station, CKCO, in addition to the station of the CBC. In 1945 the board of governors heard three applications to establish a second private station. The board recommended the application of Frank Ryan, who established station CFRA. He had estimated his construction costs at \$45,888. About the same time, a company controlled by the Southam family made application to have the licence of station CKCO transferred to it from the original owner, an Ottawa physician, Dr. G. M. Geldert. Although the Southams concerned were but the Ottawa branch of the family, the CBC Board of Governors recommended against the application on the grounds that the Southam Publishing Company already owned stations in Edmonton and Calgary; granting the application would, in effect, further "multiple ownership" of radio stations. A second application was made on behalf of another company headed by Duncan MacTavish, a son-in-law of one of the Southams (and, later, a president of the National Liberal Federation). This application was granted on condition that members of the Southam family should not own more than one-third of the capital of the new company. The CBC did not inquire into the amount of the purchase, but according to A. L. Smith, the Conservative member for Calgary West, it was "several hundred thousand dollars." Smith pointed out that this contrasted with the forty-five thousand dollars that the new station, CFRA, was supposed to have cost. The CBC chairman agreed that stations reportedly were being sold for very large sums, and he

5 / *Debates*, Aug. 24, 1946, pp. 5329-30. 1947 *Proceedings*, pp. 388-91.

6 / *Le Devoir*, June 14, 1946.

said the board wondered "if there is not an element of the licence being sold."⁷

Most of the new stations that began operation from 1944 to 1947 were in smaller communities, and provided essentially a local service: in towns such as Belleville, Fort Frances, Cornwall, Granby, Rivière-du-Loup, Bridgewater, Edmundston, North Battleford, Medicine Hat, Penticton, Prince George. Some were established in larger towns and cities where there had previously been but one station. Often these stations joined the Dominion Network, and in any case they provided an alternative radio service to their communities. There were, for example, new stations in Halifax, Saint John, Sherbrooke, Sudbury, and Fort William-Port Arthur.

The ownership of stations in the larger cities can be summarized as follows:

- MONTREAL** Two CBC stations: CBF (key station of the French Network), and CBM (English).
Two private stations, English: CFCF (Canadian Marconi), and CJAD (J. A. Dupont).
Two private stations, French: CKAC (*La Presse*), CHLP (*La Patrie*).
One private station, bilingual: CKVL, Verdun (J. Tietolman).
- TORONTO, HAMILTON** Two CBC stations: CBL and CJBC, key stations of the Trans-Canada and Dominion networks.
Three private stations in Toronto: CFRB (Standard Radio), CKEY (J. K. Cooke), and CHUM (York Broadcasters).
Two private stations in Hamilton: CKOC (Wentworth Radio, participation by Taylor, Pearson, and Carson) and CHML (Maple Leaf Broadcasting – Ken Soble).
- VANCOUVER** One CBC station, CBR.
Four private stations: CJOR (G. C. Chandler), CKWX (Western Broadcasting, participation by Taylor, Pearson, and Carson), CKMO (British Columbia Broadcasting), and CKNW, New Westminster (W. Rea).
- WINNIPEG** One station owned by Manitoba Government Telephones, CKY.
Three private stations: CKRC (Transcanada Communications – the Sifton interests – with management by Taylor, Pearson and

⁷ / 1947 *Proceedings*, pp. 392, 407–8, 437–8. The Radio Committee of 1942 had recommended that, "except in the most unusual circumstances," no one should hold more than one licence.

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- Carson); CJOB (J. O. Blick and E. B. Osler); and CKSB, St. Boniface (co-operative ownership).
- OTTAWA One CBC station, CBO.
Two private stations: CKCO (later, under new ownership with Southam participation, changed to CKOY); and CFRA (Frank Ryan).
- QUEBEC One CBC station, CBV.
Two private stations: CKCV (which carried some English programs from the Trans-Canada Network); and CHRC.
- EDMONTON One station licensed to the University of Alberta, CKUA; operated by Alberta Government Telephones.
Two private stations: CJCA (*Edmonton Journal – Southam*), operated by Taylor and Pearson); and CFRN (Sunwapta Broadcasting – G. R. A. Rice).
- CALGARY Three private stations: CFCN (Voice of the Prairies – H. G. Love); CFAC (*Calgary Herald – Southam*), operated by Taylor, Pearson and Carson; and CJCJ (*Calgary Albertan*).
- HALIFAX One CBC station, CBH, a 100-watt station installed in 1944 to provide a local signal.
Two private stations, CHNS (*Halifax Herald*); and CJHC (*Halifax Chronicle*), opened in 1944.
- REGINA Two private stations, both owned by the Siftons: CKCK (*Leader-Post*), operated by Taylor, Pearson and Carson; and CKRM (Transcanada Communications).

Most of these stations were now able to broadcast at a power of 5000 watts, and many were eager to increase their power above this limit, if the CBC and the government could be induced to change their policy, and if the terms of the 1941 Havana Agreement permitted such increases. There were as yet only three commercial stations with a power greater than 5000 watts: CFRB, Toronto (10,000 watts), CKY, Winnipeg (15,000 watts), and CFCN, Calgary (10,000 watts). At the end of the war, these three stations applied again for an increase in power to 50,000 watts, as did CKAC, Montreal. Again the applications were denied. The CBC was still working on the assumption that it was to have a monopoly of high-power stations – a policy that had been specifically approved and reiterated by the parliamentary committees of 1942, 1943, and 1944. But the emphasis was somewhat different in two of these years:

Any increase in power considered necessary and desirable to occupy the

channels allowed under the Havana Agreement should be made in stations owned or taken over by the corporation. (1942)

Evidence was presented to the effect that there may be danger of losing the full use of channels now assigned to Canada by the Havana Agreement. We believe that the corporation should safeguard these channels and, if necessary, consider increasing the power of all stations to the limit of the agreement. (1943)

The task of the private stations was to persuade the public that they were “community” stations rather than “local” stations, and that their community could be as large as a province or a region. Meanwhile, the CBC made plans to advance coverage by completing its building program, and to provide alternative network service in most of Canada. The objectives of the CBC and of the larger, or more ambitious, private stations were bound to clash.

2 The CBC's Reorganization and Plans for Expansion

The CBC had not had a really effective chairman since Brockington stepped down in 1939. Morin and other experienced members of the board had been somewhat compromised by the unfavourable report of the Radio Committee in 1942, and the government was slow to strengthen the board's membership. When Dr. Thomson resigned as general manager, a full year elapsed before Frigon was promoted into his position.

In the Radio Committee of 1944, both LaFlèche and Morin advanced the proposal that a chairman should be appointed who would spend full time on the affairs of the corporation. Such a change, it was agreed, would require an amendment to the Broadcasting Act. Some of the committee members were hesitant about endorsing the proposal, fearing that it would return the condition of “dual control” that had been found wanting during the time the executive power had been divided between Gladstone Murray and Frigon.⁸ In the end, the committee endorsed the suggestion, and the necessary amendment was passed.

Two of the men appointed to the board in the spring of 1944 had wider reputation and experience than had some others recently appointed: W. J. Parker, president of the Manitoba Wheat Pool, and B. K. Sandwell, editor of *Saturday Night*. Morin resigned as chairman before the new amendment was passed, although he continued to remain on the

⁸ / *Debates*, 1944, Graydon, pp. 5713, 5854; Coldwell, pp. 5714, 5858 (Aug. 1 and 3, 1944).

board, and was succeeded as part-time chairman by Howard Chase of Montreal, president of the Canadian Brotherhood of Locomotive Engineers. It was reported that B. K. Sandwell had been intended for the post of chairman, but that he was unable to accept.⁹

The appointment of a full-time chairman was made in November 1945. The government chose A. D. Dunton, a young man of thirty-three, a native of Montreal, bilingual, who at the age of twenty-six had been appointed as editor of the Montreal *Standard* by his friend, John McConnell. (McConnell's father, J. W. McConnell, had bought the *Montreal Daily Star* and the weekly *Standard* in 1938.) During the war Dunton went to the Wartime Information Board, with the *Standard* paying his salary; he became assistant general manager, and then general manager. In this post he worked closely with the Minister of National War Services, who in 1945 was Dr. J. J. McCann. (LaFlèche had mercifully been sent off as ambassador to Greece and Turkey.)

Dunton started very well, reversing a decision the general manager had made eighteen months previously at the request of the minister of justice, Louis St. Laurent. Mr. St. Laurent had requested that the CBC refrain from broadcasting news of disturbances in penitentiaries, on the ground that such information created unrest in other prisons. Dunton consulted his board, and announced that the CBC would no longer agree to suppress such news.¹⁰ The Liberal member for New Westminster, Thomas Reid, considered Dunton a "dictator," bent on defying "the very will of the people," but Donald Fleming countered that he was showing "evidence of independent judgment ... and an unwillingness to yield meekly to a request from a minister of the crown." John Diefenbaker, although not supporting St. Laurent's request, commended Reid for his spirit of criticism: "I was glad to hear the hon. member for New Westminster speaking as he did. He simply reiterated what we on this side of the house have been saying for a long while – that surely the only risk that some of those bureaucrats run is your welfare and mine in some of the decisions which they make independently of parliament. Their decisions affect one's goings and comings, his spendings and earnings, and parliament continues to sit on matters of supply."¹¹

Generally, morale in the CBC improved, and with the return to peacetime conditions, management and the board took from the shelf the

9 / *Canadian Business*, July 1944, p. 59.

10 / There had not been an occasion to see whether news of a prison disturbance would have been suppressed. Editors in the CBC news department had refused to recognize the prohibition.

11 / *Debates*, Dec. 12, 1945, pp. 3347–50.

long-term plans that had been approved eight years before. But postwar inflation brought deficits for the corporation, and threatened to put a stop to all thoughts of expansion.

During the war, the CBC had repaid its loans from the government, and each year showed a small operating surplus of about \$200,000. Licence fees had never been raised to the figure of \$3.00 that had been contemplated in 1932 and 1936: the fee was \$2.50 for those with electric radios, and \$2.00 for battery models. Toward the end of the war, revenue from licences levelled off at about \$3,750,000. Revenue from advertising amounted to about half this sum; in other words, it was providing nearly one-third of the total revenue (excluding the government grant for the short-wave service). The CBC considered that any substantial increase in commercial programs would interfere with the variety of program service it was the corporation's responsibility to give. To maintain even existing services would require an increase in the revenue from licences; to fill the gaps in coverage by a construction program (and doing so in time to safeguard the frequencies won for Canada) would require more substantial loans from the government than the \$500,000 limit mentioned in the Broadcasting Act.

3 *Provincial Challenges*

Before the initial steps were taken to build three regional transmitters, an important policy question had to be settled. Action taken by three provincial governments raised the question whether the public provision of program services was to be shared with provincial authorities, and if so, how the CBC's jurisdiction should be exercised.

During the war, Mr. Duplessis, as leader of the Union Nationale, continued his opposition to the CBC, blaming it for the censorship regulations of the federal government and charging that it was an instrument of centralization. After the plebiscite in 1942, he was joined in his criticism by *Le Devoir* and the Bloc Populaire. (In commenting on a speech by André Laurendeau early in 1945, *Le Devoir* wrote: "Radio-Canada a été un artisan fanatique de l'impérialisme"; far from being the voice of Quebec, it was "une voix singulièrement fausée.")¹² In March 1945, Duplessis (now premier) introduced a bill to establish a provincial broadcasting service, to be called Radio-Quebec. It was to have the power to erect stations or to acquire private stations. The

12 / *Le Devoir*, March 21, 1945.

manager of the Quebec Radio Bureau was to be under the direction of the president of the Executive Council (the premier). Five million dollars was to be provided for the establishment of the service.¹³

The *Montreal Star* spoke of probable disallowance if Quebec proceeded with its law; and the *Gazette* argued that “the results of federal ownership and control of the national broadcasting system provide a very questionable precedent for state operation of radio, whether by a province or otherwise.” A former provincial treasurer, J. A. Matheson, said in a political broadcast that the scheme would cost close to \$10,000,000 rather than the estimated \$5,000,000; in the legislature, another Liberal, Léon Casgrain, dubbed the proposed bureau “Radio Duplessis.”¹⁴ Two publishers, who were also owners of radio stations, told the Legislative Council that broadcasting was clearly a federal matter, and that the government wanted to take over “the control of the diffusion of thought and speech” in Quebec.¹⁵ The Liberal majority in the Legislative Council insisted that instead of there being a one-man council, there should be a three-man commission, responsible to the whole cabinet and not to the premier alone. The government accepted this amendment, and in April the bill was given royal assent.¹⁶

By this time, the federal election campaign of 1945 had begun, and nothing further was heard until the minister of justice answered a question in the House the next October. St. Laurent said that “in accordance with the usual practice” the Quebec statute was then before the legal officers of the Department of Justice.¹⁷

The province of Alberta had also been looking for ways to operate a commercial broadcasting station. Ever since the Social Credit government had been swept into office in 1935, it had had to contend with the hostility of the daily newspapers. Premier Aberhart and his successor, Premier Manning, were successful radio evangelists, and a radio station under the government’s control must have seemed a natural way to communicate directly with the people. The University of Alberta in Edmonton had started a station in 1927 with the call letters CKUA. In 1939 it made a successful application to increase the station’s power from 500 to 1000 watts; but permission was also asked to enter the

13 / *Montreal Gazette* and *Le Devoir*, Feb. 28, 1945.

14 / *Montreal Star*, March 1; *Gazette*, March 15 and 16, 1945.

15 / *Gazette*, April 6, 1945. The publishers were the Hon. Jacob Nicol of Sherbrooke (radio stations in Sherbrooke and Three Rivers), and the Hon. Pamphile Du Tremblay (two radio stations in Montreal, CKAC and CHLP).

16 / The Quebec Radio Bureau Act, 9 Geo. VI, c.56 (1945), never repealed, was finally proclaimed in March 1968.

17 / *Debates*, Oct. 15, 1945, p. 1074.

commercial advertising field, and this was refused. The university found that a provincial grant of \$25,000 was still not enough for the facilities needed and continued to press for a commercial broadcasting licence. In 1943 the CBC Board of Governors indicated its approval subject to two conditions: that the gross advertising revenue for CKUA should not exceed \$25,000 a year; and, second, that if CKUA took any existing business from CFRN (the smaller of Edmonton's two commercial stations), the commercial licence of CKUA might be cancelled.¹⁸ The university rejected these conditions as both improper and unworkable. But it still did not have funds to operate the station. An arrangement was then entered into with the Department of Telephones of the provincial government to operate the station, in return for a certain number of hours daily that the university would program.

In 1944 the province applied for a transfer of the licence to itself and for a private commercial broadcasting licence. The provincial government felt that there was ample precedent in Manitoba, where the Department of Telephones for many years had operated two commercial stations. The application was denied. The CBC's recommendation to the minister explained that the licence had been issued to CKUA for educational broadcasting purposes, and that account had been taken of "all circumstances surrounding the radio station in Edmonton with respect to the commercial field."

Two years later the Social Credit leader, Solon Low, told the House of Commons that CBC policy had been dictated "not by the needs of the people, but by the financial appeals of the Edmonton station CFRN." He added that CFRN was affiliated with the *Edmonton Bulletin*, a Liberal paper.¹⁹

Having failed to secure the transfer of CKUA's licence (although it continued to operate and pay for the station, by arrangement with the University), the government of Alberta next applied for a powerful station of 50,000 watts to be set up at Red Deer. This application was also refused, because it conflicted with the policy of reserving high-powered regional stations for the CBC.

In the neighbouring province of Saskatchewan, the CCF government also faced a hostile press, under the near-monopoly of the Siftons, who also owned both radio stations in the capital city of Regina. But in the third city of the province, Moose Jaw – forty miles from Regina – there was a thousand-watt station, CHAB, that the provincial government learned was for sale. Early in 1946 Saskatchewan applied to transfer the

18 / 1943 Proceedings, pp. 103–5; Debates, 1946, pp. 5333–4.

19 / Debates, Aug. 24, 1946, pp. 5334, 5336.

ownership of CHAB to a Saskatchewan crown company, just at the time the federal government was considering the implications of the Quebec bill.

In answer to a question in the House on May 3, Howe announced a new policy: "The government has decided that, since broadcasting is the sole responsibility of the dominion government, broadcasting licences shall not be issued to other governments or corporations owned by other governments. In regard to the two stations in Manitoba, discussions are taking place with the government of that province which we hope will lead to the purchase of these two stations by the dominion government."²⁰

The reaction of the three provincial governments was predictable. Duplessis claimed that Howe's statement to the House contradicted what he had said previously when Duplessis talked to him; at that time, he had seemed quite sympathetic to Quebec's proposal, and had agreed that the province had the right to a station. Duplessis told reporters:

It would be inconceivable to me that the federal authorities would want a radio monopoly in a country where liberty of speech, properly understood, of course, is consecrated by the constitution and tradition. ... Quebec in particular is interested, and rightly so, in having its voice heard ... and the right to reply when insults and slanders are hurled at her. ... It should also be remembered that the province has exclusive rights in matters of education, and radio is a very important medium of education.²¹

W. A. Fallow, Alberta's minister of telephones, said that the federal government was "determined to make a closed corporation of the national broadcasting facilities of Canada." He blamed the CBC for the "planned system of creeping paralysis being forced on the provinces with the definite purpose of curtailing the right of free speech and free thinking." A year later, speaking to the Canadian Association of Broadcasters, he condemned government interference with business and said that through the present system of broadcasting in Canada, much freedom had already been lost to the people of Canada.²²

Premier Douglas of Saskatchewan said that his government challenged the right of the federal government to say that a province could not own a radio station. He called the decision an "arbitrary and unconstitutional use of power," and "an invasion of provincial rights which we cannot tolerate."²³ Coldwell, as the leader of the CCF in the House of Commons

20 / *Ibid.*, May 3, 1946, p. 1167.

21 / *Gazette*, May 7, 1946.

22 / *Canadian Broadcaster*, May 4, 1946; *Globe and Mail*, June 11, 1947.

23 / *Canadian Broadcaster*, May 25, 1946.

and the representative of a Saskatchewan constituency, was in a rather delicate position. He and his party had been strong supporters of federal control in broadcasting and of the responsibilities assigned to the CBC. He contented himself with the statement, "If a newspaper or a group of newspapers is entitled to own radio stations, then a provincial government has a right to own and operate such stations."²⁴

Douglas exploded again in 1947 when it was learned that the Moose Jaw station had been sold to the local newspaper, a newspaper that had not been friendly to the CCF government, and that the transfer had won approval in Ottawa. Coldwell again attacked "multiple ownership" and the newspaper ownership of radio stations, although he added he was "in agreement with the principle that there should not be two governmental authorities involved in the radio field because of the difficulties that might arise between them."²⁵

The CBC's position was stated in two *Saturday Night* editorials by B. K. Sandwell, a member of the board of governors. He emphasized that the decision that licences should not be granted to provincial governments was not made by the CBC, but by the dominion government. But it was not difficult to imagine the considerations that must have influenced it:

The difficulty of enforcing conformity with the regulations of the C.B.C. governing private broadcasters is already sufficiently great. There can be little doubt that it would be enormously greater in the case of stations owned by the Crown in the right of a province and operated under the control of the government of that province. All private stations, for example, are required to give equal opportunity to the different political parties for the broadcasting of anything that can be described as party propaganda. ... It boils down ... to a matter of relying upon the partiality of nine provincial broadcasting authorities ... to offset the alleged partiality of one Dominion broadcasting authority.²⁶

Sandwell was making reference here to a statement by John Diefenbaker, that he would introduce in the next session of Parliament a bill of rights that would include the freedoms of press and radio: "Freedom of radio is of major significance in view of the government's decision to deny the provinces the right to operate radio stations. In my opinion, if government controlled thought over provincially owned stations is dangerous, it becomes immeasurably more so if the federal government exercises like control over a national system."²⁷

24 / *Debates*, Aug. 23, 1946, p. 5300.

25 / *Ibid.*, July 14, 1947, p. 5562.

26 / *Saturday Night*, "Freedom of the Air and the Rights of the Provinces," June 1, 1946; "Province and Radio," March 1, 1947.

27 / Cf dispatch, *Gazette*, May 19, 1946.

4 *The Fight over Reallocation of Wavelengths*

Taking on the provincial governments proved to be child's play in comparison with the struggle that ensued when the "clear channels" were reallocated to the public authority.

In 1936 and 1937 the CBC Board of Governors had approved a long-term plan to make programs available through their own facilities to about 84 per cent of the population. This involved high-powered stations in the Maritimes and in each province west of the Maritimes; in fact, there were to be three such stations in Quebec and three in Ontario, to provide adequate coverage to these large provinces, as well as alternative program services. In order to cut down on the costs of construction, it was suggested that some of the high-powered private stations might be taken over: such as CFCN in Calgary, CKY in Winnipeg, CKLW in Windsor, CFRB in Toronto, and CKAC in Montreal.²⁸ In the initial stage, the CBC concentrated on the construction of 50-kilowatt regional stations – in Quebec, Ontario, Saskatchewan, and the Maritimes. This program was completed in 1939. National coverage was achieved by the affiliation of numerous private stations with the Trans-Canada and French Networks, and later with the Dominion Network. But although it was thought that some private stations would be necessary to achieve full coverage, the CBC always felt that if the people were to receive a complete national service, most hours of the day, CBC stations would be necessary in each province and region. To this end the CBC had got the government's agreement that all clear channels should be reserved for the corporation's stations, as Mr. Howe announced in 1937, and as was reiterated in each parliamentary committee from 1938 to 1943.

At the Havana Conference in November 1937, Canada was allocated ten clear channels – six for Class I-A stations, which could have unlimited power, and four for Class I-B stations, operating with a power of from 10 to 50 kilowatts. (In addition, Canada was allocated another clear channel in the 540 kc. frequency that was not included in the formal agreement. The CBC used this for the Saskatchewan transmitter, CBK.) All of these Class I channels were intended for the use of the CBC in providing national coverage.

Canada received also four specific allocations for Class II stations –

28 / Plaunt Papers, box 16, "Report to Board of Governors, Canadian Broadcasting Corporation" (undated). Frigon reviewed for the 1946 Radio Committee the principal features of this plan which had been devised ten years earlier; *1946 Proceedings*, pp. 724–6.

operating on relatively clear channels, but requiring, perhaps, directional antennas. These might operate with a power of from 250 watts to 50 kilowatts. Allocations were made also for Class III stations (with maximum power of five kilowatts); and for Class IV stations (of between 100 and 250 watts). Frigon told the Radio Committee in 1944 that if Canada were to take the fullest possible advantage of the Havana Agreement, it could have twenty-two 50-kilowatt stations, thirty-seven 5-kilowatt stations, and thirty smaller stations.²⁹

Attention in 1946 centred on the so-called "clear" channels – Class I-A and Class I-B. When the Havana Agreement came into effect in March 1941, three non-CBC stations were allowed to occupy I-A channels: CFRB, CKY, and CFCN. These channels were intended to go eventually to CBC stations in Ontario, Manitoba, and Alberta. During the proceedings of the Radio Committee in 1942, this exchange took place:³⁰

Coldwell: There is no possibility of any misunderstanding that these stations have a vested interest in those channels?

Frigon: No.

Frigon's certainty in this matter was based on a precaution that the board of governors had taken the year before. In March 1941, the board asked that the three stations be advised "that these channels may be required by the C.B.C. at some future date and must be vacated if and when such occasion arises." In their own minutes, the board recorded: "These channels were obtained with great difficulty at the Havana Conference in 1937 and were for the use of the national radio system in Canada."³¹

The Radio Branch of the Department of Transport consulted law officers in the Department of Justice about the best form in which to pass on this warning to the three stations, and on April 30 wrote Gladstone Murray that it proposed to make an endorsement on the stations' licences for the fiscal year 1941–2 drawing attention to a regulation issued in accordance with the Radio Act, 1938. The regulation read: "The allotment of a frequency or frequencies to any station does not confer a monopoly of the use of such frequency, nor shall a licence be construed as conferring any right or privilege in respect of such frequency or frequencies." Although this endorsement was not as specific as the board had wanted, Murray's executive assistant, Donald Manson, wrote

29 / *1944 Proceedings*, p. 84, *1946 Proceedings*, pp. 238–59.

30 / *1942 Proceedings*, p. 334.

31 / *1946 Proceedings*, pp. 146, 651.

that the proposed endorsement was satisfactory to the CBC. The same endorsement appeared on the licences of the three stations each year up to 1945.³²

In 1945, at the request of the CBC board, the Radio Branch affixed this endorsement on the licences: "The frequency of ... kc. per second being a clear channel is definitely reserved for the national system of broadcasting and this station is authorized to use this frequency provisionally until such time as it may be required or assigned to the Canadian Broadcasting Corporation." In reply to the covering letter, H. G. Love of station CFCN replied in May 1945: "We do not concur in or submit to its conditions and reserve all our rights legal and other."

In November 1945, the CBC board advised the Radio Branch that it intended to apply for the three Class I-A channels, and in March 1946, the board applied for them formally, indicating that it would require them in June 1947. Other frequencies were suggested for each of the stations, frequencies that would not require any change in power. The stations were in turn notified on April 18, 1946.

Dunton explained that it was urgent that the CBC recover the channels because, in order to meet the terms of the Havana Agreement, 50-kilowatt stations had to be under construction by March 1949. He also told the committee that in November 1945, Harry and Joseph Sedgwick had appeared before the board to argue for retention of the frequency of 860 kc that CFRB had been occupying. According to the board's minute, Joseph Sedgwick had said that "all possible pressure" would be taken to resist loss of the frequency.³³

In the spring of 1946 the CBC was not making any secret of its intention to build additional high-powered stations. At the end of February Frigon told a Montreal meeting that three kilowatt transmitters were already on order.³⁴ But when CFRB and CFCN received their formal notification, they professed to be taken completely by surprise. Richard Lewis, editor of the *Canadian Broadcaster*, told a Toronto club on May 21, "The latest story to break tells of the proposed purloining of the wave-lengths of both CFRB, Toronto and CFCN, Calgary." Within the next week, the *Globe and Mail* had an editorial headed, "It's the People's Fight," in which it declared that "the issue is no less than the final suppression of the right of freedom of the air ... another of the long sequence of brutally arbitrary developments in the corporation's campaign of suppression." There followed in the same newspaper two

32 / *Ibid.*, p. 147.

33 / *Ibid.*, p. 158.

34 / *Gazette*, March 1, 1946.

editorial-page articles by Harry Sedgwick. He argued that the CBC merely wanted to entrench itself more securely in the commercial field; that it had enough channels already; that it was progressively restricting freedom of choice; that its original mandate had been lost sight of – service to remote areas, development of talent; that private stations were more acceptable to the public and were better able to satisfy public tastes; and that the good of the community would clearly suffer if the CBC were to take “the audience ... from us, without cause.”³⁵

From a number of radio and newspaper stories, the public had the impression that the CBC proposed to put CFRB and CFCN out of business. Questions were asked in the House, and the Radio Committee that was sitting made a thorough review. Both the Calgary and Toronto stations fought their case vigorously, supported by the Conservative and Social Credit members of the committee. In the end the majority of the committee concluded:

That the policy has been well understood over a number of years, or should have been well understood, we believe is shown from a number of reports and public declarations of policy. ... These station owners ... should have realized at all times that the wavelengths would at some time be taken over by the Corporation.

We consequently approve the application of the Board of Governors for permission to occupy all Class I-A wavelengths which were allotted to Canada under the Havana Agreement. We believe the government in giving approval to the application is carrying out the intention of the Broadcasting Act of 1936 and recommendations of previous parliamentary committees.

Of course it should be remembered that the station owners are not being refused a licence to broadcast, nor are the stations being appropriated. They will still have the opportunity to broadcast and it is the policy of CBC to assist them in discovering the best wavelength possible for their use. ...

Your committee considered the plans for the development of the national system which has been held up by the war. It approves the decision of the Corporation to use clear channels in Alberta, Manitoba, and Ontario for high power publicly owned stations, and to build a 10 kw. station on an additional clear channel in Quebec.³⁶

In the publicity that preceded and accompanied the committee hearings, the CBC and the government were badly out-performed. The representatives of CFCN and CFRB told the committee that in 120 newspapers that published editorials on the taking over of the wavelengths, there were 194 editorials, out of which 189 were unfavourable toward the CBC's move.³⁷ Put on the defensive, Dunton assured the committee that

35 / *Globe and Mail*, May 24, 27, and 28, 1946.

36 / *1946 Proceedings*, pp. 848–9.

37 / *Ibid.*, p. 754.

the two stations would still have a power of 10 kilowatts – “twice the ceiling for private stations”; that although CFRB’s income was two-thirds of the commercial revenue of all the CBC stations in Canada, it was the board’s intention that it should “continue to thrive,” and it would still have “the privileged position it now has – power double that of any other private station in Eastern Canada”; that the CBC would co-operate in publicity plans to make the change of frequency known; and that CFRB would be allowed to continue its affiliation with CBS, in spite of the recommendation of the parliamentary committee in 1942.³⁸

The CBC was supported in the committee hearings by the Canadian Association for Adult Education, the Association of Canadian Radio Artists, and the Co-operative Union of Canada. Station CFCN was supported by the principal farm organizations in Alberta: the Alberta Wheat Pool, the Alberta Federation of Agriculture, the United Farmers of Alberta, and the Farmers’ Union. An ingenious plan had been devised whereby, if CFCN received permission to raise its power to 50,000 watts, ownership of the station would be dispersed throughout the province.

The committee’s report did not end the fight. The action shifted to the main arena, the House of Commons, where the objective was to prevent the CBC getting the funds needed for its proposed expansion.

5 *Provisions for Financing the CBC*

In 1946 costs were increasing and many prices that had been held stable during the war were now rising. In Britain it was found necessary to double the radio licence fee – from ten shillings to a pound. Canadian newspapers similarly were raising their subscription rates: for example, in May the *Toronto Globe and Mail* raised its price per copy from three to five cents. But the same newspapers were unalterably opposed to an increase in revenues for the national radio system.

In their initial presentations to the Radio Committee in 1946, Dunton and Frigon pointed out that the CBC for the first time had incurred a small deficit, but they did not point to the increase in licence fees in Britain, or suggest that some similar action was needed in Canada. This may have been due to Dunton’s natural caution, or perhaps to a warning from the government that an increase in the licence fee would be unpopular, and would jeopardize the program of expansion. Most of the hearings were taken up with the argument over wavelengths, and it was only in the last two sittings that the committee heard the CBC’s plans,

38 / *Ibid.*, pp. 736, 740–2.

and the estimated costs. The CBC urged that four projects must be committed soon – in Alberta, Manitoba, Toronto and Chicoutimi – and indicated that the \$500,000 limit on loans did not provide enough latitude to undertake the needed construction. Dunton referred to the recommendation of the 1942 committee that the CBC should receive the full amount of the licence fee, and proposed that the Canadian Broadcasting Act be so amended. He said discussions had been held with the government about the loans, and that some equipment had been placed on order “to protect us under the Havana agreement”; but this needed to be approved by order in council.³⁹

The committee recommended that the act be amended to permit the necessary loans to cover the proposed capital expenditures, and it recommended also that the CBC should receive the full amount of the licence fees paid, without deduction of the costs of collection. The report was tabled in the House of Commons on August 16, and Parliament was due to prorogue at the end of the month. On August 19 the minister of national revenue introduced a resolution to amend the Canadian Broadcasting Act in the manner recommended, setting the limit of loans for the current year at two million dollars. Second reading of the bill was moved on August 23, and it became evident very soon that the bill was in trouble. Although the resolution had mentioned the figure of two million dollars, press reports spoke of “unlimited loans,” and “advances up to \$10,000,000.”⁴⁰ Opposition members such as Donald Fleming and E. G. Hansell reviewed in detail the controversy over wavelengths and the disputes with the provincial governments, including a recent complaint by George Drew of Ontario. The requests of the private stations, they said, were reasonable and should be granted; the present system was “capable of sowing the seeds of totalitarianism.”⁴¹

Prime Minister King had been in Europe, attending the Paris Peace Conference, and was not to be back for several more days. The remainder of the cabinet had to decide whether to let the session run on, or abandon the legislation. The *Globe and Mail* reported that they let it be known that they would settle for inclusion of a sum in the supplementary estimates. On August 28 Douglas Abbott, acting finance minister, said the Government would not proceed with the bill. On August 30, a seven-hour debate took place on a supplementary estimate to extend a two million dollar loan to the corporation. Opposition

39 / *Ibid.*, p. 744.

40 / Text of resolution in *Debates*, 1946, p. 5189; reports in the *Globe and Mail*, Aug. 17 and 24, 1946.

41 / *Debates*, Aug. 23, 1946, p. 5297.

members expressed admiration for the CBC, and sympathy for the purposes for which it was established, but said the loan was “one more measure toward socialism or communism – call it what you like”; that the CBC had been “trying to kick some of the private stations around”; that the loan would have the effect of “destroying or at any rate so crippling as virtually to destroy these companies in question”; that the private stations “will be down the drain”; that it would “eventually push private enterprise in radio out into the deep.”⁴² The Liberal majority, supported by the CCF, defeated a motion by the Toronto Conservative, D. G. Ross, to reduce the loan to one dollar.

The CBC had the loan it desired and could go ahead with its construction program. But it still had no assurance of an operating income that would allow the new facilities to be used. For their part, the private stations felt encouraged by the support their position had received, even among some Liberals. The *Canadian Broadcaster*, reporting that the House of Commons had voted \$2,000,000 for “Nazionalized Radio,” said (September 7) that the reason the government had withdrawn its legislation was to avoid a rebuff in the Senate.

The leader of the opposition, John Bracken, did not take part in the parliamentary debate on this issue. Earlier in 1946 the Progressive Conservative party’s annual meeting had advocated elimination of the radio licence fee. Now the party in Parliament seemed to be abandoning the concept of private stations existing to serve local community needs. *Saturday Night* called this a “radical departure” from the policy first established under Mr. Bennett, but said that “the question will have to await decision at the next general election, for the present Parliament was certainly not elected with any mandate to broaden the powers of the private stations.”⁴³

With so much influential support, the private stations were not inclined to wait for another election. CFCN and CFRB delayed filing plans for a change in frequency, and the CAB began working toward a fundamental change in radio legislation.

6 *The Big Campaign of 1947*

While the private stations were mobilizing their support, the CBC did something that further infuriated them. The Radio Committee of 1946 suggested that if the private stations gave over too many hours to

42 / *Debates*, 1946, quotations from K. Homuth, p. 5661; J. Blackmore, p. 5672; J. M. Macdonnell, pp. 5678, 5680; and C. McLure, p. 5685.

43 / *Saturday Night*, Sept. 14, 1946. See also report by J. A. Hume in *Ottawa Citizen* of the same date.

“money making broadcasts” they would not be discharging their trust. It suggested that the minister review the revenues, profits, and expenditures of stations, as he had power to do under the Radio Act; and that the CBC should review the program activities of private stations before recommending renewal of licences.

We suggest that as a condition of the issuance or renewal of any licence a station should be required to submit to the Board of Governors of the CBC an undertaking that it would faithfully perform its duties as a trustee of a radio frequency, and would indicate the amount of time and what proportion of its revenue it is prepared to devote to local community events, the discussion of matters of local interest and the development of local talent and other public service broadcasts. By this means it would be emphasized to all that the right to occupy a frequency is a privilege granted to one who thus acquires a temporary monopoly in the use of an air channel which belongs to the people.⁴⁴

The committee had found, from examining a few station logs, that some stations had little in the way of live programs or non-commercial programs. For example, Windsor, a very profitable station, had only about 20 per cent of non-commercial programs in a 22-hour day; it ran 713 flash announcements in one week. Timmins had no live talent except news, and 14 per cent of its local programs were commercial. CFRB, Toronto, the most profitable station, had a good record in its use of studio talent in its local Canadian programs, but only a quarter of such programs were non-commercial.⁴⁵ Many of its evening programs, of course, were from the CBS network.

The private stations were not used to such treatment, and when the CBC attempted to carry out what the committee had recommended, some of the stations were distinctly unco-operative. In particular, they resented what was called the “promise of performance” which the CBC board said would be taken into consideration when recommendations for renewal of licences were made in 1948.⁴⁶ Joseph Sedgwick said the corporation should not have “the power to threaten its competitors in that way.” The main object of the campaign of the commercial broadcasters was to persuade the public that Canada’s broadcasting legislation was antiquated, that the private stations were hampered in serving the public by restrictions of the government and the “Government’s CBC,” that the prevailing system threatened freedom of speech, and that under present laws the government could control all programs, and seize and operate any broadcasting station in Canada.

A publication called *The Printed Word*, issued by the public relations

44 / 1946 *Proceedings*, p. 847.

45 / *Ibid.*, pp. 629–32.

46 / 1947 *Proceedings*, pp. 44–50, 240–2.

firm of Johnston, Everson, and Charlesworth, in the summer of 1946 began carrying almost monthly editorials on broadcasting. Previous to this, there had not been an editorial dealing with the broadcasting system since September 1941. The importance of the material appearing in the *Printed Word* lay in its circulation to all weekly newspapers which frequently reprinted the editorials received in this way. Even some of the principal dailies, like the *Globe and Mail* and the *Montreal Gazette*, occasionally reprinted them. In 1946–7 the main points made in these editorials were that the CBC was a propaganda agency for the government, and that the plays, talks, and “so-called educational forums” consistently over-emphasized the leftist point of view. The Canadian radio system was said to combine the worst features of both government and private radio; the “Government’s CBC” was the life and death ruler of the private stations and also their competitor. Licensing and regulation must therefore be placed in the hands of a semi-judicial body above and independent of the CBC.

Concurrently with the parliamentary-committee hearings in 1947, the CAB placed advertisements occupying about a third of the page in seventy daily newspapers. There were five of them spread out over two weeks, with such headings as: “Are ‘Crystal Set’ Radio Laws Good Enough for Canadians?”; “Our Radio Laws Spell Monopoly”; “Canadian Radio Laws Are Still in Ox-Cart Days”; “Canadian Radio Needs Freedom to Grow Up.” In addition there were spot commercials and special programs on many of the CAB’s member stations, and ten thousand copies of a booklet, *Control of Radio*, were distributed. The Canadian Daily Newspapers Association had decided to submit a brief to the Radio Committee, supporting the request of the CAB for an independent regulatory board and a strict limitation of governmental power over broadcasting. Most newspapers therefore supported the private stations’ position editorially, and often in the news columns as well.⁴⁷ The committee appointed to draw up the Daily Newspapers’ brief showed the overlapping of interests. It included the president of the CDNA, Harry Kimber, of the *Globe and Mail*; H. L. Garner, of the *Peterborough Examiner* (associated with station CHEX); Fred Mercier, of *Le Soleil*; Philip Fisher of the Southam Press (owners of radio stations); and Clifford Sifton (an owner of several stations).

The CAB also won support from the Canadian Chamber of Commerce, which sent a letter to the Radio Committee arguing that private stations

47 / For example, the *Globe and Mail* gave a three-column report of the CDNA’s brief on pp. 1 and 3, June 19; the *Winnipeg Free Press* ran a series of dispatches from Ottawa on the editorial page.

must have security of tenure. It spoke favourably of a separate regulatory authority, but suggested that this matter should be investigated by a "thorough, public and non-partisan inquiry."⁴⁸

Most of the committee's time was spent in examining the briefs submitted by the CAB and the Canadian Daily Newspapers Association, and the counter-arguments produced by the CBC and officials of the Radio Branch, Department of Transport. In 1946 the CAB had made it clear that private stations were really no longer interested in operating a national network, and little time in the committee of that year or in 1947 was given to this formerly contentious point.⁴⁹ Nationally known, syndicated programs could be distributed much more cheaply by recording – transcription or tape – than by wire-line networks. With the prospect of FM radio and television, it appeared that advertising revenues might never support a fully commercial radio network in Canada.

The emphasis in 1946 had been to establish the stations' rights to their frequencies, and to secure much higher power. The CAB had then proposed merely the establishment of an appeal board, to which private stations could take the CBC's decisions for adjudication. The association argued that such a tribunal could be empowered to act "without re-writing the Broadcasting Act, but merely by a simple clause of amendment to it." But the proposed board of appeal would also have jurisdiction to hear matters involving power increases, frequency allocations or changes, and applications for new licences. The minister of national revenue was quite right in concluding that the proposal was not for an ordinary board of appeal, but for an independent tribunal with "legislative power."⁵⁰

In 1947 the CAB scorned such subterfuges, and urged an entire revision of not only the Broadcasting Act, but the Radio Act as well (under which the minister responsible for the Radio Branch exercised authority over all forms of licensing in the radio spectrum). One of the consequences of the CAB's all-out assault on governmental powers was that some officials of the Radio Branch became alarmed; and one of them, who had cut short his testimony to attend an international conference, submitted a memorandum criticizing the CAB's presentation in detail. The memorandum had not been cleared with the deputy minister nor with the minister of reconstruction and supply, Mr. Howe. (The situation was complicated by the fact that the work of the Radio Branch of the Department of Transport did not come under the minister of

48 / *1947 Proceedings*, p. 70.

49 / *1946 Proceedings*, pp. 374–8, evidence of Harry Sedgwick.

50 / *Ibid.*, pp. 312–3, 383.

transport, but under C. D. Howe.) The *Globe and Mail* carried a story that the official's statement represented a "blast from the Cabinet," and so, "with the Government shooting at it, the C.A.B. proposal could be regarded as a dead duck." Howe and Chevrier, the minister of transport, quickly made it plain that the official had not been speaking with their authority.⁵¹

The Canadian Daily Newspapers Association's brief, which was also reprinted and given wide circulation, supported the case for an independent regulatory authority and suggested that despotic regulation of radio might ultimately extend to the press, since it was thought that newspapers might soon be distributed by facsimile. (The CBC denied that it had powers over any form of radio except broadcasting.) The CDNA also maintained that the CBC was exercising discrimination against applications for station licences by newspapers, and asserted that newspapers should have "freely available to them the right to use radio in all its forms and techniques." The CBC replied that there had been no special rule against newspapers acquiring radio stations, but that it had sought to prevent the growth of multiple ownership – that is, the awarding of new licences to owners of existing stations. The CBC asked for guidance from the Parliamentary Committee on such policy, particularly as it affected the granting of FM licences.⁵²

With the intensity of the private broadcasters' campaign, supporters of the existing legislation thought they should bestir themselves. Letters were sent to the committee from the Railway Transportation Brotherhoods, the Association of Canadian Radio Artists, L'Union des Artistes, National Farm Radio Forum, the Canadian Congress of Labour, and the Co-operative Union of Canada. The Canadian Federation of Agriculture suggested that L. W. Brockington be called as a witness. The Vice-Chairman of the committee, L. R. Beaudoin, noted that the *Ottawa Journal*, the *London Free Press*, the *Montreal Star*, and the *Halifax Chronicle* had all expressed views contrary to those in the CDNA brief.⁵³

In his reply to the briefs of the CAB and the CDNA, Dunton said that the board did not feel it was their function to argue "either for or against fundamental changes in legislation which parliament has enacted and reaffirmed." And then he proceeded to defend the existing system. He denied that the government controlled the CBC. There was no provision by which the government could prevent expression other than its own

51 / 1947 *Proceedings*, pp. 456–564; *Debates*, June 30, 1947, pp. 4841–2; July 8, pp. 5241–2.

52 / 1947 *Proceedings*, pp. 276–83, 478–9.

53 / *Ibid.*, pp. 335–9, 464–6, 552–5.

on any private station. The prime functions of the CBC and of private stations were different and, therefore, not competitive; their functions were complementary in the whole Canadian system. It had been a basic principle laid down by Parliament that there must be co-ordination of all broadcasting in Canada. If privately owned stations were able to affiliate with American networks or to form permanent hook-ups among themselves, this would undoubtedly cut large gaps in present national networks. If an independent board were set up, the corporation would be left with the great responsibility of a national radio system, but much of the authority over what was to be done would be in someone else's hands. There was an advantage in keeping authority and responsibility together, and one body which had to answer to Parliament.⁵⁴

The majority of the committee concluded that the area of competition between the CBC and the private stations was small, and that the private stations were not in danger from CBC regulation. As a result, the committee was not prepared "at the present time" to suggest any fundamental change in broadcasting regulation. It recommended, however, that the CBC hold public sessions when hearing applications about licences and when considering changes in regulations. It suggested that consideration be given to the raising of the five-kilowatt ceiling for private stations, and that stations be granted their licences for a longer period, perhaps for three years. It noted that in the matter of revenue "the private stations would seem to be in a not unhappy position," and it saw no reason why they should object to saying what amount of broadcast time they intended to devote to different public service activities. In regard to the CDNA brief, the committee did not advise "going so far as to prohibit what is called multiple ownership." It did not think that newspapers should be treated in any different manner than other applicants for broadcasting licences.

As for the CBC, the committee recommended that the expansion and development program of the corporation be speeded up, including the provision of a second French network. The committee was "impressed with the need of the corporation for a larger income." It reiterated its recommendation of a year ago that the whole of the licence fee should be paid over to the CBC, and regretted that the recommendation had not been implemented in 1946. It asked that appropriate legislation now be passed to give effect to this.⁵⁵

The government once again introduced legislation to hand over to the CBC the full amount of licence fees that applied to receiving sets and

54 / *Ibid.*, pp. 472–85.

55 / *Ibid.*, pp. 621–7.

broadcasting stations. Opposition members, though critical of the committee's report, did not offer the spirited resistance of the previous year. The CBC board was accused of having favoured certain applicants for station licences on political grounds, and of employing speakers who were favourable to the government.⁵⁶ Ian MacKenzie, the minister of veterans affairs, astonished the opposition with this statement, in response to an interjection by Garfield Case:

I want to tell my hon. friend right now, and I defy him to prove me untrue, that the present Canadian Broadcasting Corporation is more anti-government than pro-government. ... I am not blaming them for that, because they are an independent corporation. ... They are not an organ of government. ... As a matter of fact, the opinion of the government, if I can be confidential with the house, is that they lean the other way.⁵⁷

The House passed the amending legislation on division, without a recorded vote.

7 Win, Lose, or Draw?

In this last campaign, who had won, and who had lost? On the surface, the committee's report was a reaffirmation of the existing system. Dr. McCann, the responsible minister, told the House:

It is generally known and understood that radio in this country and elsewhere is one of the big prizes in the current struggle for power by reactionary private enterprise. ... An unscrupulous campaign has been carried on in an attempt to discredit the Canadian Broadcasting Corporation and at the same time to expand commercialism. ...

In the last two years, certain private radio interests have been campaigning for a change in radio laws which they think would give them more freedom to make profit and to exploit the public through channels which they have been allowed to use. ... Some of my honourable friends have decided to forget the principles of their party, have repudiated them, and have allowed themselves to become the champions of private interests. I presume that members of the Progressive Conservative party have been speaking for themselves, because neither this year nor last year, when a similar debate took place, have I heard the leader of that party declare as to what was the policy of the Progressive Conservative party. ...

I want to reassert that the Liberal party has a distinct and clear policy with respect to radio in Canada. We believe in a nationally owned, nationally controlled and nationally operated system of radio for all the people of this

⁵⁶ / *Debates*, July 12, 1947, D. Fulton, pp. 5548–58; T. L. Church, pp. 5563–5; N. Jacques, p. 5546.

⁵⁷ / *Ibid.*, p. 5567.

country. It will be nationally operated by the Canadian Broadcasting Corporation and nationally controlled by them, a corporation responsible not to the government but to parliament.⁵⁸

In fact, the Liberals were more equivocal and more divided on this issue than McCann let on. This can be detected in the same debate in the remarks by the chairman of the Radio Committee, Ralph Maybank:

I consider this committee has been acting as a policy committee instead of as a budgeting committee in the last couple of years. ... We are not as well equipped as a cabinet to determine the policy, and we have not at our hands the great deal of technical information that we ought to have. ... It does seem to me that if the committee is to make policy we shall be changing the whole legislative structure of the parliament of Canada and we shall have government by committee instead of by council. I submit that is not wise. ...

The question that has to be settled in all our minds here is this very simple one which came up in 1932 and earlier: "Is the Canadian Broadcasting Corporation to be the favoured instrument of broadcasting in this country? Are private stations to be allowed to exist and fulfil a community need, or are they to be allowed to expand into networks of national broadcasting?" ... Believing that ... that is the main point at issue, the committee concluded that the easiest way of effecting that was to have the C.B.C. continue to exercise the functions it is exercising today.

I personally would have no objection to a regulatory board. I am not strongly for it, but I would have no objections to it ... as long as it is understood that the robustness of the Canadian Broadcasting Corporation continues.⁵⁹

Blair Fraser gave this interpretation in *Maclean's Magazine*: Liberals he had talked to claimed that if private broadcasters got not even "a shred of what they wanted" from the Radio Committee, it was largely their own fault. Before the committee hearings, a number of Liberals, including Ralph Maybank, were inclined to favour the idea of a separate regulatory board. Not wanting to do anything to weaken the CBC – they had heard from the prime minister himself that the government would not tolerate that – they still thought another board might best take over licensing and regulation. According to Fraser, two things changed their minds. One was the memorandum from the Department of Transport, setting forth technical difficulties in the creation of an independent board. The other thing was "the high-pressure campaign put on by the private broadcasters," which annoyed them extremely. Fraser continued: "However, M.P.'s are cautious folk. Before giving rein to their indignation, some of them made quiet enquiries among their electors to see whether the private broadcasters' campaign had roused any feeling in the country.

58 / *Ibid.*, July 14, 1947, p. 5614.

59 / *Ibid.*, pp. 5611–12.

The answer came back a unanimous 'no.' Most of the voters hadn't even noticed the fuss about radio laws. The few who had ... had only a vague impression that somebody was out to sabotage the CBC and their reaction was 'Don't let 'em do it.'⁶⁰

What the CBC got, after the smoke cleared away, was authorization to proceed with its regional transmitters in Manitoba and Alberta, a second powerful transmitter in the Toronto area, about \$600,000 a year additional revenue from licence fees, retirement of provincial governments from the broadcasting field, and at least a temporary continuation of their authority to regulate and co-ordinate the entire broadcasting system. The CBC did not get an increase in the licence fee, which was necessary to assure its independence. The 1947 committee's expression of support for the system established in 1936 was more equivocal than in the report of any previous committee. Furthermore, the distinction between the job of the national system and of the local or "community" broadcaster became increasingly blurred.

The private stations seemed to have been defeated on their main point, that they should enjoy a position of equality with the public system and should not be under the CBC's authority. But there was another way of looking at it. In each successive year they had made important gains. It was now well established that private stations would be a permanent element in the Canadian broadcasting pattern. The amount of commercial content in their programs was left almost unrestricted. Stations that had American network affiliations were allowed to continue them. The ceiling of permissible power for local stations had gone up to five kilowatts. Those few stations with a higher power had been allowed to retain their advantage, and now there was some prospect that the ceiling would again be raised. Two stations had demonstrated that, when asked to change frequencies, they could delay doing so for two years, and win a great deal of public sympathy in the process. With the licensing of third, fourth, and fifth stations in the larger centres, an increasing number of private broadcasters had no regular connection with the CBC networks, and the CBC therefore had a smaller part in the total picture. The private stations' licences, which formerly had to be renewed each year, were now to run for three years. In practical terms, this was not very important – no licence had ever been cancelled since the CBC was established – but the decision gave the stations greater assurance that their importance was recognized, and also reduced the danger that some parliamentary committee might suddenly insist on greater accountability.

60 / "Backstage at Ottawa," *Maclean's*, Aug. 15, 1947, p. 15.

More fundamentally, there were signs that once again the Canadian public was regarding the American pattern of broadcasting as the norm, with the CBC existing as a peculiar variation that somehow went with Canadian nationhood. At least this may have been the assumption in English-speaking Canada. The English-speaking majority seldom heard from French Canada, and when they did, the voice they heard was likely to be that of Duplessis. CBC radio was a recognized force in the province of Quebec.⁶¹ It was no accident that the vice-chairman of the Radio Committee in 1947, L. R. Beaudoin, seemed a more enthusiastic proponent of the existing system than did the chairman, Ralph Maybank of Winnipeg. Nor was it surprising that the chief spokesmen for the private broadcasters and the affiliated newspapers were in the Conservative party, whose parliamentary representation was drawn principally from Ontario.

The very tentativeness of the 1947 committee's conclusion encouraged the private interests to concentrate their efforts on securing an independent committee of inquiry. By the summer of 1947, this proposal was already advanced by *Maclean's Magazine*, two Montreal dailies, and *Saturday Night*, as Jim Allard of the CAB pointed out with a note of triumph in the *Canadian Broadcaster*.⁶² The *Canadian Forum* warned B. K. Sandwell (still the editor of *Saturday Night*, but recently resigned as CBC governor) that the device of a royal commission was a trap. Through "lobbying and flagrantly misleading propaganda," the private interests had managed to unsettle the public mind about the present system. "If even one member of the Commission favored an alternative system ... the alternative plan ... would acquire the prestige attaching to any suggestion emanating from a Royal Commission."⁶³

But the government, the CBC, and a number of disinterested bystanders wanted to get rid of the clamour. A royal-commission inquiry that would either establish confidence in the existing system, or propose some other, seemed to offer a way out.

61 / Late in 1949 a Canadian Gallup Poll showed that 45 per cent of a national sample thought the CBC was doing "a good job," 24 per cent "a fair job," and 16 per cent "a poor job." In Quebec, however, 54 per cent of those interviewed said the CBC was doing a good job. *Ottawa Citizen*, Dec. 2, 1949.

62 / *Canadian Broadcaster*, Oct. 4, 1947, p. 4. See also *Maclean's*, Aug. 15, and *Saturday Night*, Aug. 9, 1947.

63 / R. B. Tolbridge, "Does Radio Need a Royal Commission?" Oct. 1947, pp. 156-7.

16 THE MASSEY COMMISSION

IN THE YEAR 1948 several questions demanded urgent attention from the government. First, an authoritative answer was needed on who should regulate and control the activities of private stations; their scope and function had to be defined or restated. Second, financial provision had to be made for the CBC; the licence fee of \$2.50 was now clearly inadequate. The government had to decide whether to increase the fee substantially or find some other means of supporting the public system. Third, there was the new problem of television. The country, it seemed, would be faced with the same kinds of difficult choices that had confronted it when radio broadcasting had developed. The difference was that the pace would be faster, the costs would be greater – and the stakes would be higher. This time, the fundamental choice had to be made at the beginning: would television for Canadians start under public or private auspices, and how would it be extended to cover the country?

Despite the urgency of these questions, Parliament paid them little attention in the 1948 session, and the government procrastinated. The more important developments were taking place outside Parliament.

As the old year ended, A. D. Dunton told the staff of the corporation that “the biggest story for the CBC in 1947 was a negative – something that didn’t happen.” He explained: “Probably never before has this country seen such a concentration of radio time, newspaper space and other pressures marshalled in an attempt to influence legislators. But the dull thud of the Parliamentary Committee Report announced the failure of the assault on the Broadcasting Act and the national broadcasting system.”¹

When Mr. Dunton’s article appeared, the CBC’s victory, if it was a victory, had already been nullified by the board’s own decision. The governors recommended that station CFRB’s power be raised from 10,000 watts to 50,000 watts. This was what CFRB over the past decade had

1 / An article written for the staff magazine, *Radio*; quoted in *Canadian Broadcaster*, Jan. 17, 1948, p. 10.

been fighting for, and what the CBC had refused to grant on the grounds of national policy. Now the governors explained that the object of their recommendation was "to maintain the extent of the coverage of station CFRB as much as possible to its present coverage at a power of 10 kilowatts on the frequency of 860 kc."² The owners of CFRB had been forced to change their station's frequency, but they had succeeded in obliterating the definition of private stations as essentially *local* stations.

No intimation of this development had been given to the parliamentary committees of 1946 or 1947, where the issue had been fought out. The committee of 1946 had reported: "The areas of service of the two types of broadcasting agents are distinct. ... Network operation or coverage of whole regions of the country, are not, your committee believes, the normal functions of the private radio station. Your committee feels it would be good for all concerned if a clear understanding were to obtain upon this point."³ The committee of 1947 had found that in most cases broadcasting was a "quite lucrative form of private business." It suggested that if future potential coverage of Canadian stations were threatened (by power increases of American stations), consideration should be given to raising the *five*-kilowatt ceiling.⁴

When CFRB changed its frequency in September 1948, it broadcast with the same power as the two key stations for the CBC's Trans-Canada and Dominion networks. There was hardly any public discussion of this fundamental change in broadcasting policy.⁵ As if to prove that the special circumstances surrounding CFRB's transfer of frequency were not the deciding factor, the board of governors followed up with an approval of similar applications from CKLW, Windsor, and CKAC, Montreal.⁶ CKLW became the second private station to operate with a power of 50,000 watts, in spite of its poor record in broadcasting Canadian programs and employing live talent.

The Conservative party, meanwhile, had formally confirmed its change in policy regarding the Broadcasting Act. It no longer supported the CBC's position as regulatory authority and controller of networks. For several years during the war, most Conservative members of the

2 / *Ibid.*, Dec. 20, 1947, p. 1. Dunton's recollection is that the Dept. of Transport advanced this technical argument in support of CFRB's application, and this convinced the majority of the board (of which Dunton was not one); interview with A. D. Dunton, July 21, 1967.

3 / *1946 Proceedings*, p. 846.

4 / *1947 Proceedings*, pp. 624-5.

5 / Mr. Coldwell protested the decision in January and December, 1949, but representatives of other parties did not enter the debate; *Debates*, Jan. 31, 1949, p. 91; Dec. 6, 1949, p. 2825.

6 / *Canadian Broadcaster*, Feb. 14 and April 3, 1948.

Commons appeared to be in agreement with the existing system. In 1944 certain members from Toronto, joined by John Diefenbaker from Saskatchewan, indicated that they would prefer a separate regulatory board. Other leading Conservatives expressed a similar view in 1946, although the national leader, John Bracken, was careful not to commit himself. The next year, at the party's annual meeting, all doubts were removed. A resolution on broadcasting stated:

The CBC as presently administered is a menace to freedom of speech and freedom of enterprise, as it occupies the untenable position of being the controller of and at the same time a competitor with private radio stations.

The control of radio should be removed from political domination and vested in an independent board.

The meeting also reaffirmed a recommendation made in 1946, that the licence fee be abolished.⁷ In 1948, the cautious Mr. Bracken was replaced as national leader by George Drew, until then the premier of Ontario. Mr. Drew had long tilted at the CBC, its alleged partisanship, and its monopoly position. With the choice of the new leader, the *Canadian Broadcaster* was jubilant:

The Progressive-Conservative party of Canada now has a virile leader, a strong platform, and needs only a backbone of followers, willing to work for the cause, to lead people back from the present era of government by order-in-council ... to sound policies of competitive enterprise. ...

The platform of the Conservatives is predicated on the fundamental fact that the business of running a country is a problem for men of business.⁸

The private broadcasters and the politicians knew that each year the CBC's financial position was becoming more desperate. The Corporation had no doubt made quiet representations to the government about raising the licence fee, but publicly no one was taking the lead. Now the CBC wanted to take charge of television development, and further funds would be required for that. In the United States television had been held back while it was being argued whether colour transmission should be authorized. After March 1947, when the FCC decided that televising would be restricted to black and white, a phenomenal development took place. By August 1948, thirty-three stations were operating in twenty cities from New York to Los Angeles; by the end of the year, there were about sixty stations. A station in Buffalo was being received in

7 / Resolution no. 7, Minutes, Progressive Conservative Association of Canada, 1947. See "Progressive-Conservatives Demand Free Radio," *Canadian Broadcaster*, April 5, 1947, p. 1.

8 / *Canadian Broadcaster*, Oct. 16, 1948, p. 5.

Toronto, and agitation grew for a station in that city and in Montreal.

A special inquiry seemed to offer possibilities for the CBC, the private stations, and the government. There was no great surprise when, early in 1949, the Speech from the Throne announced the government's intention of appointing a royal commission, the second to investigate Canadian broadcasting.

1 *The Commission's Appointment*

The announced intention of appointing a royal commission was one of the first decisions of the government of Louis St. Laurent who had succeeded King as prime minister just over two months before (November 1948). The context of the proposed inquiry was significant. It was not to be merely an inquiry into broadcasting, but "an examination of the activities of agencies of the federal government relating to radio, films, television, the encouragement of arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, ... and activities generally which are designed to enrich our national life."⁹ Broadcasting was placed in association with other activities of the federal government, and the emphasis on national purpose seemed implicit. The wide sweep of the matters for investigation would have another practical result: a wider variety of interests and organizations would be likely to come forward with briefs than if only the subject of broadcasting was to be discussed. In particular, groups and individuals concerned with the educational and cultural life of the country would appear, and they were not likely to be the interests who were especially friendly to commercial broadcasting.

Still, the prime minister wanted to emphasize that he and his colleagues had not pre-judged the issue:

Complaints have been made about the fact that those administering the publicly-owned system have at the same time control over those who are operating privately-owned systems. That may or may not be a valid criticism. We do not have the direction of the Canadian National Railways performing the functions of the transport commissioners, nor do we have the directors of Trans-Canada Air Lines performing the functions of the air transport board. It may be that the governors of the C.B.C. should not, at the same time, be the ones to operate the publicly-owned system and to make the regulations for the others.

9 / *Debates*, Jan. 26, 1949, p. 3 (Speech from the Throne).

On the other hand, he said, there were “monopolistic features resulting from the allocation to the various broadcasting stations of frequencies or wave lengths which, once they have been allocated, cannot be used by anybody else.” He believed this to be particularly true of television:

The installation of facilities for broadcasting pictures is extremely costly; and if private interests venture the capital required to broadcast in certain localities they will require to have these frequencies allocated to them and their investment will have created for them a vested interest therein. Is that situation desirable for this Canadian nation?

... I do not think that these frequencies, allocated to the Canadian public, should be lightly turned over to private ownership and exploitation unless we come to the conclusion that there is no better way in which the Canadian public can be provided with this new form of entertainment and education.¹⁰

The leader of the opposition, in his maiden speech to the House of Commons, maintained that Canadians were being denied television through “an arbitrary denial of the rights of those people who are prepared to provide television in this country, without the treasury of Canada being committed to the expenditure of one cent for this new service.” The Royal Commission, because it had such unlimited scope, would take years to report. Therefore, action would be further delayed.¹¹

The government was getting ready to call an election that summer; it decided it should make some moves before dissolution of the House. At the end of March it announced an interim policy for television, by which its general direction would be entrusted to the Canadian Broadcasting Corporation, in accordance with the Broadcasting Act of 1936. The CBC was to establish production centres and transmitters in Montreal and Toronto; and applications were to be considered for one privately owned station in any city or area of Canada. Parliament was to be asked to approve a loan to the CBC of four million dollars to make the necessary installations.¹²

Ten days later the government announced the appointment of the Royal Commission on National Development in the Arts, Letters, and Sciences.¹³ The chairman was the Rt. Hon. Vincent Massey, Chancellor of the University of Toronto, and former High Commissioner for Canada in London. Three of the other four members had university connections also: Dr. N. A. M. MacKenzie, president of the University of British Columbia; the Most Reverend Georges-Henri Lévesque, dean of Social

10 / *Ibid.*, Jan. 31, 1949, pp. 78–80.

11 / *Ibid.*, Jan. 28, 1949, pp. 45–6.

12 / *Ibid.*, March 28, 1949, statement by McCann, pp. 2050–1.

13 / P.C. 1786, April 8, 1949.

Sciences at Laval University; and Dr. Hilda Neatby, professor of history at the University of Saskatchewan. The fifth member of the commission was a professional engineer from Montreal, Dr. Arthur Surveyer.

There was some unease among broadcasters about the heavy representation of academic persons among the commissioners – people who had “never had to meet a payroll.” Dissatisfaction might have been expressed publicly if the station owners had been aware that Vincent Massey had once lent his support to the efforts of the Radio League, and had continued as late as 1936 to be consulted by Alan Plaunt. But his high reputation, and the distinguished service he had rendered his country, particularly in London during the war, disarmed criticism. And a commission, after all, was what the private stations had been advocating for the past two years.

Before the commission was properly under way, Parliament was dissolved and an election called for June 27. The commission did not, of course, suspend its organizational activities, but the climate for its work was bound to be affected by the outcome of the election. Just as the campaign was getting under way, an incident occurred which the Conservatives, and particularly Mr. Drew, used as an illustration of CBC arrogance and abuse of power. A popular announcer, Joel Aldred, was dismissed from the staff of the CBC for criticizing CBC management and policy in an article appearing in the *Montreal Standard*. Commenting on the prominence given to the CBC’s action, the editor of *Saturday Night* wrote:

Mr. Drew’s campaign ... is heavily concerned with very minor issues, and there are times when it really appears as if the question which of two kinds of engine are better adapted to T.C.A. requirements, and the question whether Mr. Joel Aldred is a good announcer or was a loyal employee of the C.B.C., were actually the chief things on which the electors need to be consulted.

In the same journal, the Ottawa correspondent, Wilfrid Eggleston, thought he saw an inconsistency in Drew’s stand:

George Drew has been quoted in campaign addresses as (a) charging that the C.B.C. is a propaganda agency for the government i.e. the Liberal party; and (b) pledging that if he is returned to office he will abolish the \$2.50 fee for radio licenses.

... If (a) is true – and that ought to be established first – then the application of (b), in the event Mr. Drew gets into power, will make the C.B.C. even more dependent upon the government of the day, and thus more prone to mould its policy in harmony with the views of the Cabinet.

Eggleston thought the evidence was that the CBC “leaned over backward” to be fair, but that there was still a tendency for all publicly

owned media of communication to favour the *status quo*. "The C.B.C. does not entirely escape this bias." Nevertheless, Eggleston argued that logic called for an increase in the licence fee, not abolition. In the magazine Joel Aldred was quoted as saying, "The C.B.C. is spending an outlandish proportion of its program budget on a fifty-two week dose of culture (the 'Wednesday Nights'). There is too much catering to the Montreal and Toronto arty crowds. What the C.B.C. needs in its radio fare is more corn – and a lot more reality."¹⁴

Mr. St. Laurent suggested that if Mr. Drew were elected, the future of Trans-Canada Airlines and the CBC would be in jeopardy. Drew thought it well to answer that charge. He told an audience in Moose Jaw that St. Laurent had obviously forgotten the origins of the CBC:

It is chapter 51 of the statutes, just in case as a lawyer he wants to look it up. It established the Canadian Broadcasting Commission with Hector Charlesworth as chairman. It is exactly the same set-up which exists today. When the present Government came into power they did not change any of the structure.

Oh, there have been other changes. They did dismiss a number of the staff and put men in their places who would carry out propaganda activities that were in keeping with what they wanted the public broadcasting company to do.¹⁵

But in the campaign, Mr. Drew proved unable to match the appeal of "Uncle Louis," and the Liberals were returned in a landslide. They won 193 seats, and Conservative seats dropped from 67 to 41. The commission could proceed in the knowledge that the same government that appointed it would receive its report.

2 *Representations from Interest Groups*

The commission held public hearings in sixteen cities, and in each of the provinces including Newfoundland (newly admitted to Confederation). It received 462 briefs and heard over 1200 witnesses. Seven provincial governments submitted briefs, although the Duplessis government of Quebec refused to co-operate on the grounds that the federal government had no right to discuss education.¹⁶ There is of course the question of how representative were the briefs; on this, the commission said:

Most of the briefs and most of the interviews came to us from organized

14 / *Saturday Night*, June 7, 1949, p. 1; May 31, p. 4; and July 12, p. 18.

15 / *Gazette*, June 6, 1949.

16 / "Massey Commission Boycott," *Montreal Herald*, Nov. 29, 1949.

societies. We heard little from the citizen who represented no one but himself; this, we suppose, was inevitable, since the substance of the various matters falling within our competence has attracted the organized interest of Canadian citizens. We are, however, struck by the fact that those who appeared before us, whether representing one of the arts, the sciences, labour or the farm, spoke to us primarily as Canadians deeply interested in the entire scope of the vast inquiry which we ventured to undertake; in the hundreds of briefs which we received and in the thousands of pages of evidence which we gathered, we believe we have heard the voice of Canada.¹⁷

Most of the organizations appearing before the commission had some special interest in the educational or cultural life of Canada. Among these, a number expressed views on broadcasting, including the Canadian Association for Adult Education, the Canadian Education Association, the Canadian Arts Council, the Canadian Federation of Home and School, and the Canadian Library Association. A second group of organizations had more general objectives in promoting good citizenship; but their views tended to coincide with those of the first group: the Federated Women's Institutes, the Canadian Federation of University Women, the Canadian Citizenship Council, the Imperial Order, Daughters of the Empire, the National Council of Women, the National Council of the Young Women's Christian Association, and the United Church of Canada's Commission on Culture.

Then there were the occupational groups. The best organized of these were undoubtedly the farm groups, particularly the Canadian Federation of Agriculture and its provincial counterparts, as well as the Co-operative Union of Canada. There were three rival labour groups, the Trades and Labor Congress of Canada, the Canadian Congress of Labour, and the Canadian and Catholic Confederation of Labour – but their views on broadcasting did not differ materially. Among major business organizations, the Canadian Manufacturers' Association did not submit a brief. The Radio Manufacturers Association of Canada did, because of its interest in promoting rapid development of television. The business viewpoint generally was represented by the Canadian Chamber of Commerce, and its provincial or local counterparts.

Among the organizations concerned with education, cultural activities, and citizenship, it is worth looking particularly at the Canadian Association for Adult Education, which helped give a lead to the others. The labour congresses, the Canadian Federation of Agriculture, and the Canadian Chamber of Commerce represent views expressed by occupational groups not engaged directly in broadcasting.

¹⁷ / *Report*, Royal Commission on National Development in the Arts, Letters and Sciences, 1949–1951 (Ottawa, 1951), p. 268; hereafter cited as *Massey Report*.

From its founding in 1936, the Canadian Association for Adult Education (CAAE) had as its director Dr. E. A. Corbett. He had previously been with the University of Alberta department of extension, which had managed the university radio station, CKUA. He had also been an executive member of the Canadian Radio League. In 1938 Corbett undertook a study of school broadcasting for the CBC. During his investigation, he was much impressed with the possibilities of a BBC experiment in organized listening groups. The following year, the CAAE, the Canadian Federation of Agriculture, and the CBC agreed to experiment with a series of broadcasts on the subject of the co-operative movement. This series was followed by "Community Clinic," a series presented regionally in Quebec with the co-operation of Macdonald College. From these experiments there developed the National Farm Radio Forum, combining broadcasts, printed study material, and the organization of listening groups. The CAAE employed a young graduate at McGill, Neil Morrison, to prepare the programs and study material; he later became an assistant supervisor of farm broadcasts for the CBC, and then supervisor of talks and public affairs. In 1943 the CBC and the CAAE undertook a second series on more general topics, "Citizens' Forum," also planned for use by listening groups.¹⁸

Partly through its work in organizing discussion groups in each province, the CAAE became very well known to other national and provincial organizations outside the purely educational field. One of its purposes had been to serve as a clearing-house and co-ordinating agency for university extension departments, departments of education, and voluntary organizations engaged in any type of adult education. After the war, this function was formalized in the Joint Planning Commission, a standing committee of the CAAE, with representation from outside co-operating organizations. The CAAE appointed Dr. J. Roby Kidd as its associate director, and asked him to assume special responsibility for the work of the Joint Planning Commission. Three meetings a year were arranged at which voluntary associations, government departments, and the communications media could exchange information about the activities they were undertaking or proposing to undertake. The Joint Planning Commission also arranged special studies and seminars on topics of interest to its members.

In 1948 the Joint Planning Commission began an investigation of problems connected with the use of the mass media, and a sub-committee was asked to prepare a report on broadcasting. The members of this

18 / E. A. Corbett, *We Have With Us Tonight*, chapter 14, "The Farm Forum," and ch. 16, "Citizens' Forum."

committee included representatives of such institutions as the Canadian Library Association, the Canadian Council of Churches, the Ontario Federation of Labour, National Farm Radio Forum, the Canadian Federation of Agriculture, the University of Toronto, and National Citizens' Forum. None of the members worked for the CBC or any other broadcasting organization, but some had had experience in arranging program series for broadcast. The committee studied documents in connection with Canadian broadcasting, publications of the CBC and the CAB, and a number of books recently published in the United States: *The American Radio*, *A Time for Reason*, and *Radio's Second Chance*.¹⁹

The committee concluded its study and brought in a report to the Joint Planning Commission one month after the personnel of the Royal Commission had been announced. The fifteen-page document that resulted was given consideration by many organizations in preparing their briefs for the Massey Commission. The committee declared that its study resulted in a heightened appreciation of the "impressive record" of Canadian radio, but it found some threatening trends: over-commercialization on the CBC as well as on private stations; inadequate revenue for the CBC from public funds; and a tendency for network sponsors to dictate the patterns of evening broadcasting. The committee wrestled with the problem of the control of broadcasting, and concluded that the greater variety provided by the mixture of public and private broadcasting had much to commend it, and was suited to Canadian conditions. It approved of having local stations in private hands to serve local needs rather than incorporating every single station into the CBC. But committee members were "not at all impressed with the arguments calling for a radical change in the control over Canadian radio." They did not believe that the government of the day could unduly affect radio policy, if Canadian voters were vigilant. They saw no particular hardship for local stations if regulations were made by a public corporation carrying out the provisions of the Broadcasting Act and reporting regularly to Parliament. Gains from such a radical change as had been advocated would benefit only "some business interests that already have a very large share of radio time, newspaper space and other media selling their products."

They criticized the CBC on two counts: the lack of information among Canadians about the board of governors and its work and about Canadian radio generally; and the lack of zeal in maintaining standards. "From their study the Committee members believe that the CBC, rather

19 / "Report to the Joint Planning Commission by the Committee on Radio Broadcasting," presented on May 6, 1949 (mimeo.).

than being an 'interfering' body meddling in the affairs of private stations has, if anything, been negligent in not more adequately looking after the public interest. This is perhaps understandable in view of the attacks upon it, but not healthy. We must have a Board in Canada ready and able to maintain standards in the public interest and defined by Acts of Parliament." They recommended that appointments to the CBC Board of Governors "receive the kind of critical scrutiny that will make impossible narrowly political appointments, and will guarantee adequate representation from such important national groups as agriculture, business and labour." Finally, in respect to television, the committee said it approved the case presented in *Saturday Night* and the *Financial Post* in which the "go-carefully" policy of the CBC was commended. But the watchword should be "go carefully" rather than "go slow." The CBC ought already to be experimenting in television programs, and working out relationships with the National Film Board. It would be a mistake, the committee concluded, to hand over development of television to private interests.

Parts of the committee's report were incorporated into the CAAE's own brief to the Royal Commission – a brief the Massey Report referred to as "a precise and detailed statement." Probably the CAAE's work did not change the fundamental views of other organizations with which it collaborated, but it no doubt helped to make them more articulate.

Even before the CAAE's document had been completed, the Canadian Federation of Agriculture produced a resolution uncompromisingly in favour of the existing system, and opposing "any interference or change in the present set-up of the public corporation." The resolution was passed unanimously by the annual convention of the Federation which met in Saskatoon early in 1949. The subject had been introduced by a report on broadcasting presented by Leonard Harman of the United Co-operatives of Ontario, a man who had helped initiate and develop "Farm Radio Forum" and "Citizens' Forum." His report conceded that private stations performed an essential local service, and had proved adaptable to the particular interests of their communities. But they had not suffered from the amount of regulation to which they were subject. Harman cited figures to show that the stations had flourished financially. An investment of eight million dollars in 1946, in 73 stations, yielded two million dollars of surplus, or a net earning of 25 per cent per annum on capital. He continued: "Unfortunately, some of the private stations have been unwilling to continue in their role of providing a community service complementary or supplementary to the CBC public service on a national scale. ... In recent years some of the interests which operate

these private stations, working through the Canadian Association of Broadcasters, have conducted an aggressive campaign in the direction of enlarging the scope of private stations and removing the authority of the CBC." Through "slanted newscasts and paid advertisements in the press," they had tried to influence public opinion and parliamentary committees. The associations upholding the present system had practically no money to support their side of the case. Harman concluded, "In view of the strength and extent of the present attack, it will require all the effort we can muster to save and strengthen and develop national radio in Canada."²⁰ The federation's brief to the commission was drawn up to incorporate these views.

The Trades and Labor Congress was the largest of the labour federations, with about 450,000 members; it was also regarded as the most conservative. Its annual convention in 1949 endorsed a resolution submitted by a Montreal local of the International Ladies' Garment Workers Union, declaring that the CBC and the National Film Board had been constantly attacked "in the most vicious manner by selfish private interests." A copy of the resolution asking the government to support and extend the activities of the CBC and the NFB was sent to the chairman of the Royal Commission. In its brief presented the next year, the congress urged no major change in public policy, rejected the idea of a separate regulatory board, and advocated a statutory grant, not subject to an annual vote in Parliament, to replace the licence fee.²¹

The Canadian Congress of Labour, with 350,000 members, said that if the demand for a separate regulatory board was granted, "our Canadian system of broadcasting will ultimately disappear and we shall have in its place a carbon copy of the American system, and a carbon copy made in the United States at that." The CCL felt that the development of television only reinforced its argument: if there were two competing television systems, "the economic waste would be colossal and flagrant."

The Canadian Chamber of Commerce, speaking for 100,000 business men, asked that a thorough examination be made to see how CBC expenditures could be reduced. The vice-chairman of the chamber, E. C. Wood of Imperial Tobacco, asked that both the CBC and the National Film Board withdraw from competition with private enterprise,

20 / *Western Farm Leader*, March 4, 1949. Harman's figures for the stations' capital and surplus were taken from the report of the 1947 Radio Committee (*Proceedings*, pp. 624-5). The CFA resolution and Harman's address were later distributed in a pamphlet, "Where Are We Going in Canadian Radio Control?"

21 / *Trades and Labor Congress Journal*, "Royal Commission on Arts, Letters and Sciences," May 1950, p. 23. This and other briefs cited have been examined in the Public Archives of Canada.

or compete on an equal basis as taxpaying bodies. A separate regulatory board was necessary if the CBC was not to control the same private stations with which it was competing. The Montreal Board of Trade disagreed with the contention of some other witnesses that the turning over of television to private companies would lead to a predominance of programs from the United States. La Chambre de Commerce de Québec fully supported the views of the Canadian Chamber of Commerce, although it added that it recognized the excellent work the CBC had done. The Radio Manufacturers Association and the Association of Canadian Advertisers (representing 150 major companies that advertised nationally) made similar statements in favour of a separate regulatory board.

The Canadian Daily Newspapers Association, an association of publishers, represented another business interest, one which by now had close ties with the owners of private broadcasting stations. In 1947, the CDNA, appearing before the Parliamentary Committee, had vigorously supported the proposition that the regulatory authority for all stations should be quite separate from the CBC. In its presentation to the Massey Commission in 1949, the association limited itself to a discussion of existing legislation in relation to the development of facsimile broadcasting. A new and separate board must be created to license facsimile stations, one which should not concern itself with the content of what was transmitted, lest the traditional independence of the press should be jeopardized.²² Some of the newspapers that took a lead in making this presentation extended the argument further in their editorial columns; for example, the Toronto *Globe and Mail* "A board so constituted could do the job, but its scope should not be confined to facsimile. It is certainly in the public interest, and becoming recognized as inevitable, that the licensing and control of private radio and television stations should be taken from the CBC. One board should be entrusted with these duties as well as the new one that is looming up."²³

The commission summarized what it heard from the more than 170 voluntary organizations that had discussed broadcasting. The great majority expressed approval of the national system. Although they made little reference to the Aird Report, they gave the impression that the system had succeeded to a remarkable degree in doing what the writers of that Report wanted it to do:

Three statements were made repeatedly. First, national programmes have been received with appreciation throughout the country. ... Second, the

22 / *Massey Report*, pp. 63, 292; also W. A. Craick, *A History of Canadian Journalism*, II, p. 252.

23 / *Globe and Mail*, Nov. 19, 1949.

existence of the nationally-controlled system of broadcasting was acknowledged as the only means whereby Canadian radio could have maintained a Canadian character. ... Third, the national system ... has contributed powerfully, we are told, to a sense of Canadian unity. It does much to promote knowledge and understanding of Canada as a whole, and of every Canadian region, and therefore aids in the development of a truly Canadian cultural life. ... We observed indeed a certain alarm at any suggestion of change in the existing system on the ground that it has so far met with tolerable success in combating commercialization and excessive Americanization of Canadian programmes.²⁴

Comments about the CBC and its programs were generally laudatory but not always uncritical. The role of private stations in helping to distribute national programs was thought to be essential, as were the local services that they provided to their communities. But the commission noted that the general program content of the private stations was "rather severely criticized." The special tributes paid to some of their programs were not sufficient even in number to call into serious question the sweeping statement by one group that the private stations "hardly rate a pass on cultural programmes."²⁵

3 *The Argument between the Broadcasters*

The CBC and the Canadian Association of Broadcasters were each given formal opportunities to appear twice in Ottawa, once at the opening of the public hearings, and again, eight months later, toward the close. The CBC's regional divisions also submitted briefs as the commission moved across the country. The CAB position was supported by twenty station-members that appeared individually. Another fifteen stations made presentations also, but seven of these specifically supported the existing system of broadcasting control. On the side of the CAB were two regional associations of private stations in British Columbia and the Maritimes; eleven stations of the All-Canada operation (Taylor, Pearson and Carson and their associates among the Southam and Sifton interests); a group of Montreal radio producers, and a union of radio station employees, also from Montreal. On the other hand, the Musicians' Union and the Association of Canadian Radio Artists sharply criticized the record of the private stations in not adequately employing Canadian artists.

In 1949 the CAB comprised 93 of the 119 private stations. It was conscious of the extent to which private radio had flourished since 1936; it declared that the Broadcasting Act of that year had "failed to foresee

24 / *Massey Report*, pp. 28–9.

25 / *Ibid.*, p. 34.

the development attained in Canadian radio, and failed to understand the important role played by private stations." The CAB argued that the act had been drafted with the expectation that all private stations would go out of existence, and this explained the fundamental mistake of granting regulatory powers to the CBC, which thereby became "competitor, regulator, prosecutor, jury and judge" of all private stations. Now it was time to put an end to the thoroughly undemocratic system, to recognize that the private stations, with an investment of at least \$20,000,000, were here to stay, and that "they are being operated, in effect, by the listeners." In his presentation, the president of the CAB, William Guild (of the Taylor, Pearson and Carson station in Lethbridge) emphasized the relation between the private ownership of stations and networks and democratic principles:

It is fortunate for Canadians that this Commission is sitting at a time when the concepts of individual freedom and enterprise are endangered or destroyed by authoritarian doctrines in many parts of the world. ... World events of the last decade have demonstrated that democracy is best preserved by diverse ownership and the free expression of opinions and preferences. ...

The privately-operated stations in Canada are in fact providing the primary radio service and ... the national system should function as an outgrowth of their service. ...

While the CBC is responsible to Parliament, the private stations are, and a privately-operated network would be, responsible to the people. ...

The privately-operated stations in Canada are not opposed to a national system of radio. They endorse it. We believe that the CBC and ourselves, competing for audience, should, as a natural result of that competition, constantly improve radio schedules and raise broadcasting standards. Free competition is stifled by placing the full power of all control in the hands of one of those competitors.²⁶

The contention that the legislation of either 1932 or 1936 contemplated the extinction of private stations required a very special reading of history. This was no doubt true of the Aird Report, but well before 1932 the Radio League had proposed a modification to allow the continuation of small, privately owned stations to serve local interests and needs. While the 1932 act was commonly referred to as a measure to nationalize broadcasting in Canada, the committee report on which it was based recommended specifically "that all stations, 100 watt and under, not required for the national system, remain under private ownership, but be regulated as to programs and advertising by the rules of the Commission."²⁷ The Radio League, through Plaunt, took the same

26 / PAC, Supplementary presentation of the CAB (Ottawa, Sept. 7, 1949), in *Minutes of Proceedings of the Massey Commission*, pp. 2-4, 16, 19; reprinted in the *Canadian Broadcaster*, Sept. 21 and Nov. 9, 1949.

27 / *Debates*, May 9, 1932, p. 2708.

stand in 1936: while insisting that the high-powered stations must be publicly owned, they did not see the need for the public ownership of all stations in Canada.²⁸

Strangely enough, the CBC's brief agreed with the CAB's interpretation of history. It said:

Private stations existed before the decision on a national broadcasting system in Canada. But when the Canadian Broadcasting Corporation was established it was given power to take over all private stations, and it was envisaged that it would do so. (See report of 1936 Parliamentary Committee.) The Corporation, however, has felt that it was in the public interest to permit the continuation of private station operations under the national system – to serve community interests and where suitable also to be outlets of network services. It, therefore, year by year recommended the continuation of existing private stations and the establishment of others. In 1936 68 private stations were in operation and the Corporation has recommended the establishment of 65 more since then.²⁹

This statement made it appear that private stations continued to exist primarily because *the CBC* had decided they would do so; but almost certainly Parliament never intended anything else. The Broadcasting Act in 1932 made provision for the ultimate possibility of the CBC's taking over "all broadcasting in Canada," but only after Parliament had given its specific approval. The report of the 1936 Radio Committee used the old phrases in "reaffirming" the principle of "complete nationalization of radio broadcasting in Canada"; it was speaking more realistically in adding that "if and when" it was decided to extend the national system, the location of new private stations should be such as to permit of the "efficient absorption of any or all of them into the national system."³⁰ By the Broadcasting Act of 1936, approval by the governor in council was needed before the CBC could purchase any private station. The common element in 1932 and 1936 was not that private stations were to be eliminated, but that they were to be supplementary and subordinate to the national system. In the light of the briefs by the two protagonists, it is little wonder that there was a slight misreading of history when the Massey Commission reported: "In 1932, the Parliament of Canada, with full jurisdiction over the whole legislative field of radio broadcasting communication, established a commission 'to carry on the business of broadcasting' in Canada by a system which contemplated the subordination and final absorption of private stations."³¹ The practical result of the contention that private stations had

28 / *1936 Proceedings*, p. 351.

29 / PAC, Brief of the Board of Governors, Canadian Broadcasting Corporation, p. 3; presented in Ottawa, Sept. 6, 1949.

30 / *Debates*, May 26, 1936, p. 3078.

31 / *Massey Report*, p. 26.

not been thought of as a continuing part of the broadcasting system was a commission recommendation that their licences should be granted for a period of five years rather than three; and that cancellation should be for non-observance of clearly defined conditions. But a more important long-term result was the growing credence given to the proposition that, in effect, two systems of broadcasting had grown up, the one public and the other private, and that this had not been contemplated by the act of 1936.

In its 25-page brief, the CBC spent ten pages explaining and defending the basic principles on which the existing broadcasting system was founded; ten pages in describing the services provided, pointing to inadequacies, and arguing that more funds were needed; and the remainder of the brief advocating television development under the national system. Two appendices described CBC programming and the work of the International Service in some detail.

The CBC held that its responsibility was to develop Canadian programs and to bring in suitable programs from other countries, and to bring to all Canadians as nearly as possible the same or the same quality and amount of service. To do this under the difficult Canadian conditions, the national system must have the use of all the air channels it needed to reach the public, and must be in a dominant position in relation to their use. It must be able to co-ordinate the program activities of the private stations permitted to use some of the channels, primarily by network control. It must therefore be understood that private stations were to operate as ancillaries to the national system to provide community service and in many cases to act as outlets for national service. The distinction in function between private stations and the national system operated in such a way that there was more co-operation than competition between the public and private elements of the structure. If private operators were able to step outside their community functions and operate networks, the result would be gaps in the nation-wide coverage of the national system, as well as a reduction in CBC revenues. In practical terms it would mean that the national system would have to pay more attention to commercial competition and less to the public service, or else be weakened by loss of programs and revenue. If private stations had freedom to form any network connections they liked, the strong tendency would be to join directly with American networks.

The CBC governors argued that to entrust a separate body with the powers to decide the use of air channels would cut from the CBC its authority to carry on an effective national service, while still leaving it with the responsibility. To add to the confusion of responsibility and

authority, there would be the question of to whom the CBC was really responsible – the separate supervising body, or Parliament? There were advantages to the present system: “the Corporation is close to the realities of broadcasting operations and can be suitably flexible in the application of overall principles. It is a body that by its constitution is concerned with improving standards of broadcasting in a positive way and not merely applying negative checks.”

As for the fairness of the system, the CBC brief maintained that the board was constitutionally impartial and independent, and directly responsible to Parliament. Questions that arise in broadcasting were not matters of law, but questions of judgment as to where the greatest public interest lies. It was therefore Parliament that should decide any appeals from actions of the CBC. Any other board answerable to Parliament could hardly have a better constitution to assure impartiality and devotion to the public interest. In practice, the present supervisory system had worked well.

The CBC said that the private stations performed a useful service to their communities, but it criticized their balance in programming between entertainment and informational broadcasts, and their insufficient use of live talent. The CBC’s brief added tartly: “Private station interests have spent much money and energy on campaigns to change the laws of Canada. It would appear to be more in the public interest if the same money and energy were applied to developing better live broadcasting by private stations and a greater use of Canadian talent and opinion.”

In reply the private broadcasters denied that there was a single national system. There was the older private system, and a new public system. The private system had been much augmented by additional stations and by increased program services. Jack Kent Cooke, owner of CKEY in Toronto, told the commission: “The CBC misleads itself and the Royal Commission when it refers constantly to its national system. In fact, of the 93 stations affiliated with the CBC network operations, only 18 are actually owned and operated by the CBC. Of the total of all broadcasting stations in the country (143), the government owns only 18, and it fails (and sometimes refuses) to provide network services of any kind to 38 private stations, thus leaving certain areas absolutely without any CBC service.”³² Cooke maintained that there was no need for the CBC to own or operate broadcasting stations. It should concentrate all its resources on the production of programs, rather like the National Film Board, and distribute these through the private stations’

32 / PAC, Brief of Radio Station CKEY, p. 5; reported in *Canadian Broadcaster*, Jan. 25, 1950, p. 8.

transmitters. Harry Sedgwick, president of CFRB, said that the CBC should be free from the limitations that commercialism imposes; it should restrict itself to the original task of giving listeners a distinctively Canadian and non-commercial broadcasting service. The CAB gave examples of what it considered aggressive commercial competition. In establishing station CJBC, Toronto, as the key station of the Dominion Network, the CBC had spent \$22,000 in a period of six months to secure local advertising in the Toronto area. This competition was evidence of two systems existing in practice, and of the injustice in allowing one of them to control and regulate the other.³³

As for television, the CAB asked that the interim policy of the government be changed to open the field to private business immediately. Private licensees should be permitted free access to program material by line, kinescope, and film, from every possible source. Jack Kent Cooke, one of the applicants for a television licence, told the commission that station hook-ups with United States networks were essential for television development. The CAB insisted that the CBC should not enter the commercial television field.

The CBC argued that the same reasons which made necessary a national radio broadcasting system also necessitated television development under national auspices. A straight private commercial operation would inevitably become primarily a means of projecting non-Canadian material into Canadian homes. And because of the higher costs, detrimental tendencies in commercial sound broadcasting would be intensified in television. Television development under the national system was the only way of providing not just a hard-hitting sales medium, but a great medium of mass communication, planned for use in the public interest. It was also the only sure basis for distributing television programs east and west across Canada.

The CBC pleaded that the present licence fee was insufficient to continue the carrying out of its tasks. The system was squeezed between swollen costs and stationary revenue rates. A licence fee of five dollars would be required to maintain existing services and to support necessary improvements and extension of services in radio. The CBC's brief did not mention what licence fee would be required for television development, although it said there would have to be an "adequate" licence fee, and government loans to cover capital and other expenditures during the development period. Toward the end of the hearings, Dunton estimated that the cost of inaugurating the television service would amount to about \$10.00 per television home; but the board hesitated to suggest

33 / *Massey Report*, p. 282.

exactly how television should be financed. (The proposal made the previous year for a \$5.00 radio-licence fee had not been popular, and a parliamentary committee was just about to start its hearings on the corporation's financial needs in inaugurating television according to the government's interim plan, and in meeting its current deficit. Presumably, Dunton and the board concluded that to advocate a \$10.00 licence fee for television sets would at that time be injudicious.)

The private broadcasters admitted that the CBC's revenues for radio broadcasting were insufficient, but they agreed with the Conservative Party that the licence fee must be wiped out. During the CAB's final presentation, Harry Sedgwick suggested a statutory grant equivalent to \$2.50 per radio home and radio-equipped automobile, which would give the CBC about \$9,000,000 annually, and allow the CBC to withdraw from the commercial field. Dunton replied that this sum was not sufficient; the CBC was considering a budget of about \$10,000,00 a year (for radio), compared with a current budget of about \$7,000,000.³⁴

4 *The Report*

The Massey Commission's report was tabled in Parliament on June 1, 1951. The commission had done more than listen to the views of voluntary associations and weigh the arguments of the broadcasters themselves. It carefully assessed the nature of the program services provided by the CBC and the private stations. To help it in this analysis, it had the services of Dr. Charles A. Siepmann, a writer and authority on American broadcasting, who had previously been with the BBC as director of talks. Siepmann's report on network and local broadcast operations was printed as an appendix to the main report.

As a result of its examination, the commission concluded that the tributes paid to the national system for encouraging Canadian talent in music and drama were fully justified. The system had "undoubtedly led to a greater interest in the arts, to a proper sense of pride, of national unity and of self-confidence." On the other hand, the criticisms heard about the indifferent quality of local programs and the restricted use of local talent by the private stations were also justified. "Far too many stations, regulated in principle by the C.B.C., offer programmes which must be described as regrettable." Only very rarely could limited revenue be advanced as an extenuating circumstance for their inexpensive and

34 / PAC, Transcript of Ottawa Hearings, Massey Commission, April 13, 1950, p. 378. See *Montreal Gazette*, April 14; *Canadian Broadcaster*, April 26, 1950.

unimaginative programming. The conclusion was that the CBC "is in general performing its duty satisfactorily, sometimes even admirably, in providing appropriate and varied programmes; less admirably does it exercise its responsibility of control."³⁵

The commission's stricture about the CBC's light hand in regulating and controlling the private stations' programming did not lead to a proposal for a separate regulatory body. After a review of the history of the Canadian system, the commission concluded that in this country the principle that radio broadcasting was a public trust had been followed consistently for twenty years. It was unlike the prevailing principle in the United States, where radio broadcasting was regarded primarily as an industry. The system recommended by the Aird Commission had developed into "the greatest single agency for national unity, understanding and enlightenment."

Nevertheless, a place had been found in the system for the private or commercial stations, and most of them had prospered. During three years, 1946-8, the total operating revenues of the private stations increased from nearly ten to over fourteen million dollars - a figure twice as great as the revenues of the CBC. The assets of the private stations, seven million dollars in 1948, were three times those of the CBC. It was perhaps the growth in numbers and prosperity of the private stations which had led to their increasing protest about their status. However, the Commission could not agree with their representations. Canadian legislation provided effectively for one national system, and it was a proper expression of the power of the CBC to exercise control over all radio broadcasting policies and programs. The report continued:

The principal grievance of the private broadcasters is based, it seems to us, on a false assumption that broadcasting in Canada is an industry. Broadcasting in Canada, in our view, is a public service directed and controlled in the public interest by a body responsible to Parliament. Private citizens are permitted to engage their capital and their energies in this service, subject to the regulations of this body. That these citizens should be assured of just and equal treatment, that they should enjoy adequate security or compensation for the actual monetary investments they are permitted to make, is apparent. ... But that they enjoy any vested right to engage in broadcasting as an industry, or that they have any status except as part of the national broadcasting system, is to us inadmissible. ...

They have been granted in the national interest a privilege over their fellow-citizens, and they now base their claim for equality with their "business rivals" on the abundant material rewards which they have been able to reap from this privilege. The statement that the Board of Governors of the Canadian Broadcasting Corporation is at once their judge and their business rival implies a view of the national system which has no foundation in law,

35 / *Massey Report*, pp. 38-40.

and which has never been accepted by parliamentary committees or by the general public.³⁶

Holding this general view, the majority of the commission (with the exception of Arthur Surveyer) went on to reject the demand for a separate regulatory body: "We have considered these proposals and find that they would either divide or destroy, or merely duplicate the present system of national control. Legislation to set up a separate regulatory body would alter the present national system and would result in two independent groups of radio broadcasting stations, one public and one private." Not only would the CBC's control of clear channels be jeopardized, but if a private network were authorized, the CBC would lose national coverage for its national programs. A purely regulatory board would be able merely to enforce minimum standards, on private stations and CBC alike. Its activities "might well have the effect of reconciling the C.B.C. to relatively low commercial standards rather than of raising the programmes of both the C.B.C. and of private stations to a higher level."

The report noted that the CAB did not complain of unjust or inconsiderate treatment from the board of governors. If the board had used its powers harshly or unjustly, the proper remedy would be an improved board rather than a second one. The commission therefore recommended that the control of the national broadcasting system continue to be invested in a single body (the CBC) responsible to Parliament; but that the present board of governors be enlarged to make it more widely representative. No private networks should operate without the permission of the CBC.

Other recommendations suggested a modified right of appeal, and greater security of tenure for private stations (licences to be for five years rather than three). To reduce the element of competition between the CBC and the private stations, it was recommended that CBC not accept local commercial business on its stations. The commission rejected, however, the proposition that the CBC should become a non-commercial network. It was merely enjoined to eliminate "some of the less desirable commercial programmes."

While the commission found that 41 stations were owned in whole or in part by newspaper interests, it had no evidence that any abuse of power had resulted. Therefore no recommendation was made about "multiple ownership," or the granting of station licences to newspaper proprietors.

In its examination of the financial problem, the commission concluded that if the CBC was to make the desired improvements in programs and coverage, it should have a revenue of about \$14,000,000 a year. An

36 / *Ibid.*, pp. 283-4.

increase in the licence fee was unpopular; at the same time, the commission approved of the principle behind the licence fee. It therefore recommended that additional funds be provided to assure revenue to the CBC equal to one dollar per head of population. Licence fees would bring in over five million dollars; commercial revenue, over two million dollars; the remainder should be paid by the federal government as a statutory grant. (It is interesting to note that the three-way source of funds for the national broadcasting system was not unlike the scheme recommended by the Aird Commission in 1929.)

On the subject of programs, the report recommended that more money and effort be spent by the CBC in improving its talks programs, that a second network service be provided for French-speaking listeners, and that more originations for all networks come from production points other than Toronto and Montreal. It was also suggested that regional advisory councils be set up to keep the CBC aware of the needs and wishes of the public; and that the CBC should do a more effective job in keeping the public informed of its plans and methods of operation.³⁷

The recommendations regarding television contained few surprises.³⁸ The commission observed that in radio broadcasting Canada had achieved maximum coverage for national programs at minimum cost by using some commercial programs, and by co-ordinating private stations within the national system under the control of the CBC. It thought that the same principles should be applied to television, but with special precautions. Because of the greater costs in television, the pressure on uncontrolled private television operators to become "mere channels for American commercial material" would be almost irresistible. If television were once established in commercial north-south channels it would be almost impossible to make the expensive changes necessary to link the country by national programs on east-west lines of communication. Therefore a national system of television must be organized before the links were established between American and Canadian private stations. The CBC should proceed with plans for the production of television programs in French and English, and no private television stations should be licensed until the CBC had its service available. All private stations should be required to serve as outlets for national programs, under CBC control; and the whole subject of television broadcasting should be reviewed within three years of the commencement of the service. The capital costs of the national television system should be provided from public money by parliamentary grants. Amounts for programs and current needs should be provided by licence fees, by

37 / *Ibid.*, pp. 285–300.

38 / *Ibid.*, pp. 301–5.

commercial revenues, and by such statutory grants as might be necessary.

Arthur Surveyer joined the other commissioners in signing the report as a whole, but entered certain reservations on radio broadcasting, television, and the National Film Board.³⁹ He recapitulated the grievances of the private broadcasters and was of the opinion that the general public did not realize the importance of the private stations within the national broadcasting system. He also noted a tendency to underestimate the importance of advertising in the economic life of the country. It was true that some of the private stations were making good profits, but in 1948 some 27 per cent of the station-members of the CAB had lost money, and it was unfair to expect them to go further into the red by producing the type of artistic or educational programs that the CBC should supply.

Surveyer did not agree with the demands of the CAB for permission to enter into broadcasting agreements with American networks or stations, or with their desire to organize their own separate networks without the authorization of some controlling body. But he believed it was a matter of elemental equity that their demand for an independent regulatory body should be granted. In his plan, the CBC would remain as an operating body only, in charge of its own stations and networks, but the rates charged to the private broadcasters for line transmission should be subject to final decision by a Control Board. The CBC governors should be replaced by its own board of three directors, plus the CBC chairman.

The new Canadian Broadcasting and Telecasting Control Board would have five members, including a chairman, an educator, and three members suggested to the governor in council by the Department of Transport, the CBC, and the CAB. It should be a full-time board, and, like the CBC, should be responsible to the minister of transport. It would take from the CBC the responsibility of recommending the granting of licences to station applicants. In addition, it would control the establishment of networks, reserve periods on private stations for the broadcasting of CBC programs, and control the character of programming and advertising on all stations, both CBC and private stations. Surveyer argued that there would be no duplication under the suggested arrangement, since the CBC and the new Control Board would have definite and separate functions to fulfil.⁴⁰

Surveyer concluded his section on radio by expressing a certain

39 / *Ibid.*, pp. 384–408.

40 / Surveyer's recommendations bear a very considerable resemblance to the system that was inaugurated in 1958, with the establishment of the Board of Broadcast Governors as the regulatory authority over both the CBC and the private stations.

amount of unease about the estimated costs of CBC production. He felt that, as a rule, private organizations can produce more economically than government organizations, and he recommended that commercial programs should ordinarily be left to private producers. As for television, Surveyer was upset because the "commercialization of the American television programmes is even more blatant than that of the radio programmes." In view of the very great costs in prospect, Surveyer urged a delay in the corporation's television plans. If the Canadian Broadcasting Act were to be amended to provide for a new Control Board, it in collaboration with the CBC could make a thorough study and draw up a sound plan suitable to Canadian conditions.

Surveyer's views may have reflected those of the business community of which his consulting firm, Surveyer, Nenniger and Chenevert, was a part. His clients included some of the largest corporations in Canada, such as the Aluminum Company of Canada, the CPR, Imperial Oil, Hollinger Consolidated Gold Mines, and RCA Victor. Surveyer himself was a director of a number of corporations, including one of the Timmins companies, Chromium Mining and Smelting Corporation; Shawinigan Water and Power Company, the Canadian International Investment Trust, and Credit-Foncier Franco-Canadien.

5 Preliminary Action by Parliament

Even before the Massey Commission was appointed, the government had announced an interim policy on the development of Canadian television. It decided that television development would take place through a combination of public and private enterprise. The CBC was asked to establish national television production centres in Montreal and Toronto, and to erect transmitters in these two cities. Then, in accordance with the Canadian Broadcasting Act, it would consider applications for private stations to be established, one to a city or area, including Montreal and Toronto. The government's statement added, "In view of the high cost of television operations, it is felt that individuals or groups interested in establishing a private station in any city may wish to form an association for the purpose of applying for a licence."⁴¹ The CBC was expected to provide a television program service, either by telerecording or by direct relay, to be a part of each station's programming. The minister of national revenue, Dr. McCann, told the House that Parliament would be asked to provide a loan of \$4,000,000

41 / *Debates*, March 28, 1949, pp. 2050-1.

to the CBC to support the development of the service. But before action could be taken, Parliament was dissolved and the election of 1949 followed.

When the new Parliament met in the autumn, the measure was introduced to make the loan to the CBC for the costs of the two television installations, but the amount of the loan was increased to \$4,500,000. It was approved by Parliament with a minimum of debate; indeed, the opposition was not aware that the item had passed, and the real debate took place the next day after the vote had been made.⁴² McCann maintained that by not proceeding earlier, the country had saved a great deal of money while the United States did the experimentation. But through the present plans, the Canadian electronic industry would benefit from a large new outlet for its production. McCann warned that the loan of \$4,500,000 would not in itself be enough to build the plant and also put television into operation. In another year, a further loan would be required. The Montreal and Toronto transmitters were expected to go on the air in September 1951.

Mr. Drew was critical of the policy of not letting private operators risk their money in the experimental stages. Why, he asked, should public money be spent to give telecast programs to Toronto and Montreal? If private stations were allowed to proceed, more Canadians would see television sooner than if television was placed "under the restrictive procedures of the C.B.C." McCann replied that a few applications had been received from owners of radio stations in the larger cities, but because of the cost, "there has not been any rush ... to get into this field."

In moving the appointment of a parliamentary committee in 1950, McCann reviewed the expansion of the public system that had taken place since the committee of 1947. Two 50-kilowatt transmitters had been built in Manitoba and Alberta; a new station of medium power had been opened at Sydney, Nova Scotia; with the union of Newfoundland and Canada in 1949, the CBC had taken over the facilities of the broadcasting corporation of Newfoundland, and had established a permanent line connection with the island; a new 10-kilowatt transmitter was about to go into operation at Windsor; the power of CBM, Montreal, was being raised to 50 kilowatts, and the power of CBR, Vancouver, to 10 kilowatts.⁴³

The Radio Committee of 1950 reviewed the corporation's financial needs, the CBC's preparations to initiate television in Canada, and the

42 / *Ibid.*, Dec. 6 and 7, 1949, pp. 2828, 2890-9.

43 / *Ibid.*, March 31, 1950, pp. 1453-4.

board's policy of deferring applications for private television stations until it was seen whether applicants at one location would join together to make a joint submission. Because of the Royal Commission's inquiry, simultaneously in progress, the committee agreed to forego its usual debate on the system of broadcasting control. Joel Aldred, the announcer who had been dismissed the previous year, offered to testify about waste and inefficiency in the CBC; his testimony was not well received, and most members of the committee concluded that he had little to tell them that was new or factual.⁴⁴

The Radio Committee reported that the current deficits of the CBC were caused, not by inefficient management, but by rising costs over which the corporation had no control, and by the rising standards in broadcasting that Canadians demanded. The committee believed that funds must be made available to the corporation until the Royal Commission made its recommendations, but such funds should be granted in a way that would assure the independence of the corporation. The report was adopted in the House of Commons on division; Donald Fleming pronounced the tone of the report to be "altogether too sweeping." The government made provision for a loan of \$650,000 to meet the operating deficit that was likely to occur in the fiscal year 1950-1.⁴⁵

Parliament met for two sessions in 1951, the first rising at the end of June, and the second meeting in October. The Massey Report was made public at the beginning of June, so little consideration could be given to it immediately by the government, and in any event the opposition would expect the recommendations to be reviewed by a parliamentary committee. The prime minister therefore announced in mid-June that Parliament would be asked to make an interim grant to the CBC until appropriate legislative provision could be considered.⁴⁶ Actually, two items, each for \$1,500,000, were proposed. The first (item 564) was a further loan for television development; the second (item 670) was to be a direct grant, not a loan. As Donald Fleming told the Commons, this was a new departure. Previously, the CBC had received from Parliament revenues of two kinds: moneys collected from licence fees, and loans. For the Conservatives, Fleming argued that such an innovation should be considered very carefully, and that a parliamentary committee should have the opportunity of viewing the Massey Report as a whole, rather than having it acted upon piecemeal.

McCann replied that the current deficits the CBC was running made it

44 / *1950 Proceedings*, pp. 85 and 122; 376-7, 464.

45 / *Debates*, June 28, 1950, pp. 4314, 4319.

46 / *Ibid.*, June 19, 1951, p. 4277.

imperative to grant the money so that CBC could pay its bills. He conceded that in principle it was undesirable to make grants for operating expenditures, and new legislation must be introduced to make possible a system of revenue that would be adequate under existing economic conditions. The Massey Commission, he thought, had produced "a splendid report." It was quite likely that it would be accepted. In the debate that followed, some of the Progressive Conservative and Social Credit members complained of the "leftist propaganda" on CBC radio. John Diefenbaker, however, expressed a somewhat more tolerant view:

So long as it is not a matter of disloyalty, so long as it does not constitute sedition or is not contrary to good taste I can see no reason why various viewpoints should not be expressed. ...

I certainly would not want to see the C.B.C. throttled by decisions made by persons in authority as to what I ought to be permitted to hear regardless of whether I agree or disagree with what is being said, provided what is being said constitutes no offence and is within the limits of good taste.

Alistair Stewart of the CCF said that the CBC already owed the Government \$8,400,000 for advances made since 1946. He did not expect these loans would ever be repaid, "and we might as well call them what they really are, that is, grants."⁴⁷

Parliament passed the items for the grant and the loan, totalling \$3,000,000. Considering the favourable report brought in by the Massey Commission, one might have supposed that the CBC's troubles were over. Not at all.

To begin with, there were serious delays in getting television started in Montreal and Toronto. The plan originally was to begin telecasts late in 1951, but the Korean War meant shortages in steel and delays in securing equipment. This did not prevent Canadians within range of American stations from buying television sets and by the end of 1951, some 60,000 Canadians had bought television sets; eight months later, the figure was set at 150,000. It was now probably too late to finance Canadian television by imposing a licence fee on receivers.

The International Service of the CBC was also in trouble. Operated on behalf of the Canadian government, its aim in the immediate post-war years was to present "an honest, objective, but colorful picture of Canada and Canadian life through informative talks, commentaries, news and entertainment programs."⁴⁸ The broadcasts were transmitted chiefly to western Europe, including Czechoslovakia, with a few going to Latin America. A major objective was to stimulate immigration and trade.

47 / *Ibid.*, June 29, 1951, pp. 4919–23, 4925, 4934, 4940.

48 / *CBC Annual Report*, 1948–9, p. 48.

After the 1948 Communist coup in Czechoslovakia and the events in the Far East leading to the Korean War, demands were made urging that the International Service play a more active part in the Cold War, and switch its attention from the friendly countries of western Europe to the lands behind the Iron Curtain.⁴⁹ Some of the refugee groups claimed that certain members of the staff, or broadcasters employed by the International Service, were at the very least uninterested in this kind of broadcasting, or were actively disloyal. The charges were given circulation in the *Canadian Ensign*, a Catholic weekly under the editorial direction of Robert Keyserlingk of Montreal. There were demands for a purging of staff, of the kind that had been carried out at the National Film Board, for tighter security screening, and for replacing the head of the service with a man chosen, not by the CBC, but by the government. In May 1951, George Drew asked how much supervision the Department of External Affairs was exercising over the international broadcasts. He referred to charges that "men with known communist associations" had been employed; his information led him to believe that "there is a great deal in the allegations that have been made." L. B. Pearson, as minister of external affairs, quoted in reply from a "hitherto confidential paper" setting out as one of the aims of the broadcasts: "Unmasking the hypocrisy of communist democracy in elections, trade unions, labour camps and religion and the hypocrisy of Soviet peace propaganda and its inconsistency in view of Soviet aggressive foreign policy, rearmament and concentration in heavy industry to the detriment of the Soviet standard of living."⁵⁰ Russian programs began early in 1951, and broadcasts in Ukrainian were added in 1952. In November 1951, the Canadian government appointed its then ambassador to Italy, Jean Désy, as director general of the International Service. He carried out his changes with a notable lack of tact, and the International Service remained demoralized for several years.

Shortly after the Massey Report was published, the CBC domestic service became embroiled in a controversy over some of its programs that became a real *cause célèbre*, and which diverted attention in the press and in Parliament from the Massey Report's recommendations. Most of the controversial programs were scheduled as part of *CBC Wednesday Night*, an entire evening of programs set aside to meet the tastes of "very discriminating listeners." A series of talks by the Cambridge mathematician and astrophysicist, Fred Hoyle, "The Nature of the Universe," originally broadcast on the BBC, offended the religious

49 / *Debates*, June 15, 1951, p. 4139.

50 / *Ibid.*, May 14, 1951, pp. 2994, 3003.

views of a number of listeners. The hurt was compounded when, a little later in the year, four talks were scheduled by prominent psychiatrists on causes of aggression and hostility in the individual, under the title "Man's Last Enemy – Himself." Many who objected to Hoyle also found an irreligious base to the views of the psychiatrists, who included Brock Chisholm and Anna Freud. The storm of fury reached a crescendo when another BBC series (this time not on Wednesday Night) brought Bertrand Russell talking on the subject, "Living in an Atomic Age." The scheduling of other speakers with differing or opposing views did little to appease those who objected that it was all part of a plot to propagate godless or Communist views. Fanned by publications like the *Canadian Ensign*, a letter-writing campaign rained postcards and form letters from Holy Name societies and other religious groups on the CBC and on members of parliament, and when another parliamentary committee met in November 1951, its first concern seemed to be the "anti-religious broadcasts."

6 The Public's Assessment

The Massey Report received a gratifying amount of attention in the press. Newspaper editors commended the report's attractive appearance, and its literary style. Magazines such as *Saturday Night* ran a series of articles on different aspects of the report, and the CBC scheduled a number of talks by Ottawa journalists, including Wilfrid Eggleston, Blair Fraser, I. Norman Smith, and Charles Woodsworth. Norman Smith, in the *Ottawa Journal* and on the CBC, called it a "whiz of a book":

Its report of Canada today is concise and factual, stimulating and depressing. You'll get an over-all sense that something is stirring in Canada, a new nation with its own characteristics and aspirations. This will give you a bang. You'll also groan with dismay at our pettiness, at our weird combination of inferiority and smugness, at the rather widespread national idea that Canada is or should be a tough guy who boasts he don't care about culture. This will give you a different kind of a bang.⁵¹

The *Halifax Chronicle-Herald* called the report a "monument of calculated wisdom," and *Le Soleil* a "work inspired by the sanest Canadianism." But there were other voices too. The New Westminster *British Columbian* inveighed against the outpouring of "vast sums for the production of something described as a distinctively Canadian culture";

51 / CBC broadcast of June 21, 1951.

the *Woodstock Sentinel-Review* mocked it as “culchah,” and said the report smelt of socialism and the stale, shut-in air of college libraries.⁵²

This, indeed, was the principal line of attack on the report and its recommendations: that the majority of the authors were educators and not practical men, that the groups they heard from were not representative, and that the report opened the way for large-scale government intervention in the arts and in the mass media. Frank Underhill, writing in the *Canadian Forum*, thought that the report might well become “merely another historical document” – like the Rowell-Sirois Report of ten years ago:

It is already being brushed aside by the “practical” men as the work of long-haired highbrows. ... The members of the Massey Commission seem to have assumed that the “voluntary bodies” who appeared before them spoke collectively for the people of Canada. But the people of Canada never actually appear in any active role except when they vote at general elections. ... The voluntary bodies who appeared at the Massey Commission hearings did not include the most powerful of voluntary bodies in this country, the business corporations. ... The overwhelming majority of the people of Canada, or even of the radio listeners, were not there at all because they were not interested enough. Unfortunately this minority who were interested in the subject, and who had very valuable things to say, are a minority who have little financial power and who are not organized so as to make their voting power felt.⁵³

The magazine of the Canadian Chamber of Commerce commented that the majority of the commission showed a fine disregard for the principles of fair play and of “democratic radio.”⁵⁴

The attitude of many business men, and particularly of private broadcasters, was well expressed by Joseph Sedgwick, writing in *Saturday Night*. He began by praising the report’s literary style: “How charming it is, opening as it does with a quotation from St. Augustine, in Latin for the learned, and considerately translated for the vulgar. And throughout, what a truly literate and literary document, so different from all other reports.” But then he got down to what was wrong with it. Its defects were those that one might expect from its authors, he said, naming each one and his university associations. He described Mr. Massey as “the fine flower of Toronto and Oxford, scholar, diplomat, man of affairs and culture – everything indeed but a man of business.”

52 / Robert Ayre, “The Press Debates the Massey Report,” *Canadian Art*, Oct. 1951, pp. 25–9.

53 / F. H. Underhill, “Notes on the Massey Report,” *Canadian Forum*, Aug. 1951; reprinted in *In Search of Canadian Liberalism* (Toronto, 1960), pp. 209–10.

54 / *Canadian Business*, July 1951, p. 12.

He recalled that the only time Massey had run for political office (in 1925), he had been defeated. Then Sedgwick added:

A little lonely in this academic company, Mr. Arthur Surveyer, Civil Engineer and man of business and commerce. Does there not seem to be here too much of the cloister and the campus, and not enough of market place and street?

... When one comes to such matters as radio and television ... I think them not competent at all. ...

It is significant that the only business man on the Commission was Mr. Arthur Surveyer, he alone dissented from the report of the majority. ... He, a little removed from collegiate ivory tower, brought in a minority report which largely reflects the recommendations of the people who are actually in the radio business, and who know what business is about and to whom it must cater. He alone appreciated that the private stations' first duty is to get into black figures, and that in order to do so they must get audience – as otherwise they can't get advertisers. And thus ... they must give the people what the people want.⁵⁵

The *Winnipeg Free Press* ran fifteen articles in July, 1951, on the Massey Report and radio; these were reprinted in a pamphlet and given wide circulation.⁵⁶ It switched the attack from the nature of the commissioners to the dangers of state control on freedom of expression. The dangers of commercialism were exaggerated:

Why should commercialism be combated? ... Would it not be true to assert that successful commerce and industry is the basis upon which all culture is supported? Advertising certainly aids commerce. ... Abuses and excesses should not obscure its essential role in a capitalistic democracy. ...

Private stations are the product of enterprising Canadians working through a democratic process. ... It seems possible to raise the cultural standards of people without seeking to dictate to the people what they should be listening to.

The argument that broadcasting was a technical monopoly was fallacious: "There are, to begin with, more channels currently available than can profitably be employed." FM radio would increase the number of channels available in any one locality. It is true that a state authority must allocate frequencies, but this does not mean that regulation must be carried further. Broadcasting is also a means of publishing; and "the principles of freedom of expression are as applicable to it as they are to the press, the town hall, the motion picture industry, and the book

55 / Joseph Sedgwick, "The Massey Report and Television," *Saturday Night*, Feb. 28, 1953, pp. 10 and 30.

56 / *The Report on Radio*, Winnipeg Free Press Pamphlet no. 36, July 1951.

publishing house.” It is a fallacy to claim that broadcasting is a public utility; if that were so, “why is press publication not a public utility? Or book publication, or film production?”

The *Free Press* asked why, if a radio-broadcasting monopoly controlled by the state is a threat to freedom of expression, the press of Canada and of Britain had not been more outspoken in opposition to it. It claimed that such realization was spreading in Britain, and cited the recently published book by R. H. Coase, *British Broadcasting: A Study in Monopoly*. As if to explain its own editorial stand under John W. Dafoe, the *Free Press* said that for some years the newspapers had been dazzled by technical arguments that a monopoly was inevitable, or if not inevitable, at least highly desirable. Fear of losing advertising revenue may also have influenced the press. It was not until facsimile broadcasting appeared likely to come under the CBC that newspapers expressed much opposition to a state monopoly. It was “a very considerable tribute to the power of the idea of private enterprise in radio” that in spite of the Aird Commission and the parliamentary committees, private stations had continued to grow in number and in revenue. For “radio publishing” to become a great free institution with similar traditions to the press, important to the preservation of a free society, it would have to cease being a unit of a state system, with the station’s licence subject to cancellation at the will of CBC executives. The minor modifications recommended by the Massey Report in security of tenure and right of appeal offered no material weakening of CBC control over private stations.

Of course the *Winnipeg Free Press* had for some time supported an independent regulatory board, and its proprietors were also owners of radio stations. Proponents of control by the CBC got rather more of a shock when two magazines that had been relatively friendly to the public system published editorials agreeing with Surveyer’s minority report.

Maclean’s Magazine began by countering one of the *Free Press* arguments. “The laws of electronics ... deny us freedom of the air in the same wide sense that we have achieved freedom of the Press and freedom of speech.” Within the technical limitations, and the need for public rights to take precedence over private rights, Canada had contrived to find a very high level of freedom. The best proof was what came out of the loudspeaker. “It simply cannot be said that ... the CBC has often been disposed to dictate.” But it was precisely because of the high standing of the CBC, of the general acceptance of the rights of public radio, that it was now safe to change the system of control. *Maclean’s* favoured a new regulatory board. It would be “an instrument of the

same government as the CBC, representing the interests of the same taxpayers who own the CBC, and committed to the same general policies now carried out by the CBC." The important thing was that a new board would "remove the one major barrier between the legitimate interests of private radio and the legitimate interests of public radio." Any reason there might have been for denying the private stations a quick, satisfactory, or fair means of appeal from the CBC's decisions had surely disappeared by now.⁵⁷

In *Saturday Night*, B. K. Sandwell called Surveyer's minority report "an extremely intelligent review of the cultural condition of the mass communications business in Canada." Sandwell argued that the private broadcasters were wrong in seeing Surveyer's views as an endorsement of their own. "He wants his Control Board to have the task not only of arbitrating the differences between the CBC and the stations, but also of 'planning an adequate and well-balanced schedule of radio and television programs for Canada.'" Sandwell thought that an independent control board "might easily be found chastising the private stations with scorpions where the CBC has used merely a rather light whip." The most valid part of Mr. Surveyer's case was that the CBC Board of Governors had too much to do to perform all of its tasks efficiently.

A few months later, *Saturday Night* (now with R. A. Farquharson as editor) returned to the view that the CBC should be accepted as the public authority in broadcasting. For years the CAB had been claiming that the Liberal-party machine, dominating the broadcasting committees, had supported the CBC and condemned the private stations. Now there had been a much more thorough inquiry by the Massey Commission, which was not an organ of the Liberal government. "At some point," *Saturday Night* continued, "enquiry must have an end and policy must be settled."⁵⁸

In spite of Premier Duplessis' opposition, the Massey Commission had met with a generally friendly reception in French Canada. When it was appointed, the Liberal newspaper *Le Canada* said that the commission was likely to promote greater unity between the various races and peoples of Canada:

The necessity of a probe of this kind has arisen out of the recent war, and from the efforts made during the conflict to strengthen the national unity of the country.

Certain very useful organisations, born during or immediately after the

57 / "Should the CBC Have the Last Word?" *Maclean's*, Sept. 1, 1951, p. 2.

58 / "The Minority Culture Report," June 26, 1951, p. 7; "The Broadcasting Lobby," Nov. 24, p. 6.

war, such as the *Institut Democratique*, the *Canadian Unity Alliance*, the *Canada Foundation*, the *J. W. Dajoe Foundation*, by their work in bringing closer the different racial groups, have pre-disposed public opinion to welcome vast and difficult projects like the institution of a national library, of a national theatre, or a more vigorous drive towards national and international exchanges as practised by the National Gallery, and finally by a more effective utilisation of the National Film Office, of the CBC, the Royal Society and other official educational agencies.⁵⁹

The nationalist *Le Devoir* saw some danger to provincial autonomy and French culture, but thought for that very reason that the provincial government and the cultural societies must take an interest in the work of the commission. It rejected the advice of a reader that the commission be boycotted. The fact that two of the five commissioners came from Quebec was noted with approval. When the commission heard submissions in French, several newspapers remarked that all the commissioners seemed to be at ease with the language; André Laurendeau, the associate editor of *Le Devoir*, wrote after appearing before the commission that the chairman, Vincent Massey, expressed himself in French easily and correctly. "One did not have the impression of committing an error by speaking French."⁶⁰

Still, only 75 of the 462 briefs, or about one in six, were from French-Canadian organizations or individuals. (Of course a number of organizations presenting their briefs in English had some French-Canadian membership.) The relatively small proportion of briefs from French Canada was due not so much to the provincial government's hostility (though that was a factor), as to the fact that French-Canadian society did not spawn as many voluntary organizations as the English-speaking provinces. Social organization still tended to revolve around the church and the parish, although there were a number of cultural organizations, some of them concerned specifically with the survival of French language and customs.

In the Montreal hearings, several associations urged that the CBC produce more and better programs for the cultural enrichment of the people. They commended the educational programs of "Radio-Collège," broadcast daily on the French Network in spite of a lack of co-operation from the province. Among the societies requesting more educational programming were: L'Académie Canadienne-Française, L'Institut d'Études Médiévales (University of Montreal), L'Association Cana-

59 / Quoted in "Press Information Bureau News Letter," May 23, 1949 (mimeo.).

60 / *Le Devoir*, April 11 and Sept. 14, 1949; April 19, 1950. See also *Gazette*, Nov. 24, 1949.

dienne-Française pour l'Avancement des Sciences, and La Société d'Éducation des Adultes. These organizations did not take a specific stand on the way in which broadcasting should be controlled, although they seemed generally content with the CBC carrying out the functions it had been assigned. But an association of students and graduates of the universities of Laval, Ottawa, and Montreal advocated the appointment of a separate regulatory board. The constitution should be respected according to which education was in the exclusive domain of the provinces. Parliament should vote funds so that all regions and both language groups could be equally served, and grants should be made to the stations of minorities – the French-language stations of western Canada in particular.⁶¹

Among the nationalist organizations, La Fédération des Sociétés Saint-Jean-Baptiste du Québec urged that the CBC increase the number of first-class programs available in French to stations of other provinces. At the same time, the CBC should accept competition from private radio stations. When questioned by the commission's counsel, Guy Roberge, the secretary of the federation, Henri Lallier, said his organization had not taken a clear stand on the question of how broadcasting should be regulated. Personally, he thought the standards of CBC programs were higher than the standards of programs on private stations. But he was opposed to the role of the CBC as judge in its own case and in the case of its competitors, the private stations.

Another nationalist organization, La Ligue d'Action Nationale, sent a strong delegation to present its brief to the commission. The delegation included André Laurendeau of *Le Devoir*, an editor of the Jesuit publication, *Relations*, and the secretary of the Faculty of Law, University of Montreal. According to the delegation, all powers should remain in the hands of the CBC except program content; it believed this suggestion was in accord with the proposals of the Aird Commission. Provincial governments should have control over the programs that were to be heard, since these were tied inevitably with culture and education – a provincial responsibility. The CBC should remain as a production agency, but each province should set up a control commission on programs.

The Canadian and Catholic Confederation of Labour was opposed to any predominance of private enterprise in radio, television, and film production. There were two dangers: that Canada would be invaded by American programs unsuited to Canadian manners and culture, and that the higher interests of French Canadians would be compromised by the presentation of programs that did not reflect their special concerns.

61 / Mémoire, Fédération Canadienne des Universitaires Catholiques (mimeo.).

Broadcasting must remain under the control of the Canadian people, and their agency, the CBC. However, the board of governors should have the assistance of two consultative committees, one for each network (French and English). And the number of commercial programs and spot announcements should be reduced.⁶²

When the Massey Report appeared, some of the French-language newspapers, such as *L'Action Catholique*, hailed it as a great document and congratulated the government on the commission it had established. *L'Évangeline* of Moncton headed its editorial, "La grande importance du rapport Massey." *Le Soleil* of Quebec City wrote of the report as "inspired by the sanest Canadianism as well as by the most humanistic spirit ... the fruit of an intimate collaboration between the worthy representatives of two great races and cultures."

Other newspapers were more wary. *Montréal-Matin* warned against any attempt to mix the two cultures: "To seek to mix these together is to prepare for ourselves an unspeakable hash-up of both. ... In the face of the American peril, there is all the more reason why we should set to work to reinforce our French culture, which makes Quebec a unique fortress in the whole of America. If we surrender in unthinking fashion to the meretricious attractions of one sole national culture, we shall have to wait only one generation before Canada becomes an intellectual fief of the United States."⁶³

An editorial in *Relations* said it was regrettable, in a report so worthy of praise, that it tended to favour the State putting its hands on culture and education in Canada. "Between centralism and federalism, the commissioners have made their choice: they have opted in favour of the first."⁶⁴ In *Le Devoir*, Laurendeau took the same line. The report was characterized by "so much clairvoyance, and so much blindness." The commissioners saw clearly the major peril, which was the American Way of Life. But against this, they had erected a Canadian national culture, which was a myth, a phantom. There is not one national culture, but two – English and French. Instead of drawing toward the federal centre of gravity, why not permit the provinces to exercise their functions, and return to them their taxing powers? *Le Devoir* was afraid of handing over too much to the federal government, of giving to an "Anglo-Protestant majority" a deciding voice in a part of the province's cultural life.⁶⁵

62 / *Gazette*, Jan. 12 and April 18, 1950; *Le Devoir*, April 15 and 18, 1950.

63 / Quoted in Ayre, "The Press Debates the Massey Report," p. 29.

64 / Quoted in *Le Devoir*, July 5, 1951.

65 / *Ibid.*, July 6, 1951.

In concrete terms, *Le Devoir* paid little attention to the commission's recommendations for broadcasting, except to underline its recommendation for better facilities and programs for the French-speaking population. Rather, its effort went into combatting the proposals for federal aid to the universities.

Five years after the Massey Report, one of the commissioners, Hilda Neatby, made a retrospective appraisal of the report and its aftermath. The report, she noted, had been greeted with an enthusiastic reception, and a number of positive results seemed to have flowed from its recommendations. The failures seemed to have been two:

The Massey Report recommended the preservation of the national broadcasting system in its integrity, and the appointment of a Canada Council. The broadcasting system is still under attack and in grave danger, and the Canada Council apparently has been played with until it is worn out. After all the polite speeches, on one of the two essential matters and perhaps on both, the public voice has pronounced against the recommendations of the Report.

The opposition to the report, she thought, derived from three principal sources. First there were the barbarians: "Barbarism in Canada provides an immensely profitable field for commercial exploitation. The exploiters, moreover, are aware that barbarians are made, not born, and that the potential field is as wide as the nation." Second, there were the exponents of the outdated *laissez-faire* liberalism of the nineteenth century; and "the third area of opposition is to be found precisely in that part of Canada where *laissez-faire* liberalism has no very strong hold and where barbarism, though ever present, is most fiercely resented: French-speaking Quebec." Many French-speaking Canadians could not accept the concept of Canadian nationalism inherent in the terms of reference of the Massey Commission. "The idea of two cultures thriving within one nation seems to them impossible." Miss Neatby felt that these people offered the report its most competent and sustained opposition – "a group by definition opposed to barbarism, suspicious of *laissez-faire*, but itself hovering on the brink of chauvinism."⁶⁶

Miss Neatby may have been right in locating the sources of opposition to the establishment of the Canada Council. In any event, this move was taken by the government just a few months later. But French Canada did not offer the most sustained opposition to the maintenance of a national broadcasting system under the control of the CBC. On the contrary, the opposition was centred in English-speaking Canada.

66 / H. Neatby, "The Massey Report: A Retrospect," *Tamarack Review*, Autumn 1956, pp. 37–47.

7 *Action on the Recommendations*

Four weeks after Parliament assembled in the fall of 1951, the government was ready with a bill to amend the Canadian Broadcasting Act.⁶⁷ It proposed to increase the number of CBC governors from nine to eleven, and to grant the corporation an annual sum of \$6,250,000 for five years. (For the current year, this sum was reduced by the amount already provided as an interim grant.) The new financial provision was designed to bring the income of the CBC up to the figure of one dollar per capita, as suggested by the Massey Report, which McCann described as "one of the great reports in Canadian history."⁶⁸

The bill made other changes, most of them arising from the Massey Commission's recommendations. The term of office of the chairman was increased from three years to ten years; as with the other governors, his appointment was during good behaviour, subject to removal for cause by the cabinet. McCann told the Commons that the longer period should provide "extra public assurance of the impartiality of the Chairman." Another provision raised from \$10,000 to \$25,000 the size of commitments by the corporation for which approval by governor in council was necessary.

Provisions in the bill affected the relations of the private stations with the CBC. The corporation was given the specific responsibility of promoting and ensuring the greater use of Canadian talent on its own and private stations, and of securing a greater amount of information from private stations about the content of their programs. On the other hand, private stations were given some added protection. The CBC was to give notice in the *Canada Gazette* of its intentions to change any regulations, and to arrange a hearing for private stations before such changes were put into effect. Should a private station violate the regulations, it was to be given an opportunity to be heard, but the CBC might then order suspension of the licence for a period of up to three months. The licensee could appeal to the Exchequer Court against such an order on any question of law. There was also a clarification in the wording of the Canadian Broadcasting Act as to when the reference was to the minister of transport (in matters of licensing), and when to the minister responsible for administering the act (currently the minister of national revenue).

In the debate on the resolution, Donald Fleming said that his party

67 / *Debates*, Nov. 6, 1951, p. 739. See *Can. Statutes*, An Act to Amend the Canadian Broadcasting Act, 1936, 15-16 Geo. vi (1951), c.6.

68 / *Ibid.*, Nov. 9, 1951, p. 869.

agreed with the minister's emphasis on parliamentary control: "It would be nothing short of calamitous if a situation were ever contemplated under which the Canadian Broadcasting Corporation should become subject to governmental influence or control." Unfortunately, government members on past parliamentary committees had not always shown sufficient independence of action. Those who had made suggestions for improving the system, sometimes by criticism, would be proven "the best friends of the Canadian Broadcasting Corporation and of our system of broadcasting in Canada." When his party had suggested a division of functions in operation and regulation, "there never was a suggestion that there should be anything taken away or subtracted from public control of radio broadcasting in Canada. That is axiomatic, and must continue." It was because of his support for public control that he opposed the statutory grant to the CBC of \$6,250,000 a year.

In my submission it will not be possible to maintain that close association between parliament and the corporation which is so vitally necessary, if no opportunity is provided each year for parliament to review the policies of the corporation and decide whether, in the light of these policies, the parliamentary grants should be made. ... I consider it ... needful in order to keep parliament in close contact with broadcasting policies, that parliament should be invited year by year to make that grant.

Coldwell considered the Massey Report an excellent one in every respect. As evidence that people generally wanted publicly controlled broadcasting, he drew attention to the submissions from the United Church of Canada, the Canadian Federation of Agriculture, the Canadian Teachers' Federation, and both labour congresses. His party would now support elimination of the licence fee, to be replaced by a statutory grant of \$1.00 a head.

George Drew backed up Fleming's arguments for a separate regulatory board by advancing another. Such a board would alone make it possible to have "that measure of competition which in itself is one guarantee that we have some standard by which we can test the proper cost of broadcasting in this country." He thought that private stations should be able to organize their own networks. Then he went on to attack CBC programs that undermined the religious convictions of Canadians: "this mental poison being carried over the airwaves of Canada." This blasphemy was worse than the ordinary kind that would result in a person's being put off the air. It was inconsistent for Parliament to provide a publicly owned system that could undermine our own culture and our own system.⁶⁹ Other Conservative, Liberal, and Social

69 / *Ibid.*, Fleming, pp. 872-80; Coldwell, pp. 881-5; Drew, pp. 890-5.

Credit members joined in criticism of the CBC's "anti-religious broadcasts."⁷⁰

In reply to Fleming and Drew, McCann quoted the Massey Report's arguments against an annual vote for the CBC, and against a separate board. Some of the members opposite, he added, were in a great hurry to see private operators get a television licence, without worrying about providing a Canadian program service. He emphasized that private stations were to remain supplementary to the national service. In answer to Drew's charges of "blasphemy," he talked about the danger of suppressing ideas, which he labelled "McCarthyism."⁷¹

After second reading, the bill went immediately to the Broadcasting Committee, which had already begun sitting. It was the first time that a major revision in legislation had been referred to such a committee. In 1932 and 1936 the Broadcasting Committee had held hearings, produced a report, and *then* the government had drafted a bill for debate in the Commons. In 1951, as a result of a committee recommendation, only one minor change was made in the bill, to the effect that if the CBC ordered suspension of a station's licence for violation of regulations, such order was not effective until ten days after it was issued.⁷²

The CAB appeared before the committee to try to strengthen the private stations' right of appeal, and to press their views once again about a separate regulatory board. This time a major point of emphasis was that "radio and television broadcasting are publishing. This fact ... underlines the necessity for having broadcasting operate in the same atmosphere that printed publishers now have." The existing Broadcasting Act made sense only if radio and television were viewed in the light of a possible monopoly. But there was no monopoly. There were over 3000 radio stations on the standard band in North America; and "it is expected that in the next ten years, television broadcasting will expand to the same total number of stations in the United States that it has required AM broadcasting a quarter of a century to develop. The suggestion of greater monopoly in television does not stand up either."⁷³ The CAB said it supported the Minority Report of Dr. Surveyer (pp. 117-8 of the *Proceedings*), but also argued that the private stations, like newspapers, should be subject only to the general law of the land, and not to the regulations of a "control" body (pp. 120-1).

70 / *Ibid.*, J. J. Smith (Lib.), p. 229. W. J. Browne (PC), p. 734; H. Courtemanche (PC), p. 908; E. G. Hansell (SC), p. 1212; R. Poulin (Ind.), p. 1405; J. Blackmore (SC), p. 1869; P. Gauthier (Lib.), p. 1888.

71 / *Ibid.*, Nov. 20, 1951, pp. 1204-6.

72 / *Ibid.*, Dec. 13, p. 1909; 1951 *Proceedings*, pp. 287-8, 298-9.

73 / 1951 *Proceedings*, pp. 75 and 97.

Coldwell and the Liberal member for Gaspé, Mr. Langlois, suggested that the CAB was not only proposing a complete reversal of the principle on which all broadcasting legislation had been founded, but radically revising the CAB's representations to previous committees.⁷⁴ T. J. Allard, general manager of the CAB, explained:

Our thinking has from time to time matured. ... It has enlarged and expanded in its scope. ... What we suggest is a return to the basic principles of liberal western democracy which would ensure that within the framework of the law every form of publication, including broadcasting, should be permitted to operate, free from censorship and arbitrary control. ..

We have in mind something that is roughly comparable with the Australian system. ... What we visualize would be perhaps a three man or a five man regulatory board. It might be made the licensing authority, although we would prefer that the licensing authority remain in the hands of the Department of Transport.

The CBC, Allard maintained, was "under complete control of the executive arm. The executive arm controls appointments to the CBC's Board of Governors, its funds, financing, loans, and grants, appointment of its General Manager, and these are key activities."⁷⁵

Joseph Sedgwick, as counsel, joined Allard in making the CAB's case. In particular, he tried to broaden the "right of appeal" so that any person (not just the licensee) could appeal any order or regulation from the CBC that affected him, on any question of law or fact. Dunton objected that Sedgwick's draft amendment "would tend to make the Exchequer Court the Board of Governors of the Corporation."⁷⁶

The CAB's presentation, which with the printing of its formal brief occupied 175 pages of the printed proceedings, showed that the private broadcasters were far from ready to give up as a result of the Massey Commission's recommendations. Shortly after the Massey Report was published, the CAB's president, William Guild, told his executive that in some ways the Massey Report represented a gain for the private broadcasters; the minority report by Surveyer advocating a separate board was "the first time such a recommendation has been made in public over the signature of someone not connected with the broadcasting industry."⁷⁷ An Information and Public Relations Committee was struck, and charged with the task of making all possible capital out of the favourable aspects of the Report.

In its earlier meetings, the Parliamentary Committee spent some time

⁷⁴ / *Ibid.*, pp. 244–6.

⁷⁵ / *Ibid.*, p. 110.

⁷⁶ / *Ibid.*, pp. 234, 259, 276.

⁷⁷ / "Massey Report Shows Headway Is Private Broadcasters' View," *Canadian Broadcaster*, July 4, 1951.

examining the CBC's policy on controversial broadcasts, especially the "anti-religious" broadcasts of Hoyle, Russell, Freud, Chisholm, *et al.* By this time those fearful that their right to hear such broadcasts might be curtailed were being heard from; Dunton told the committee that the majority of the communications the CBC had received were favourable – about ten to one. Some of the committee members were intent on learning the names of the employees who had read the scripts before the broadcasts were made; but this request was not granted. Mr. Gauthier, the member for Portneuf, told the committee what he objected to (although he obviously confused Anna Freud with her father): "I am going to speak about Chisholm, Freud, Binger and Cameron. I said the other day that we are fighting communism, materialism. Well, you have scripts here defending birth control. ... As far as Freud is concerned ... he is denying free will in his series. ... I do not think that is the kind of philosophy we should broadcast over the air to our Canadian people, especially when we are opposing materialism and fighting communist materialism at the same time." The Social Credit member of the committee, E. G. Hansell, asked whether Dunton had read the script of Dr. Ewen Cameron, a Montreal psychiatrist. "Does he twig anything in that broadcast that plays into the hands of the communist philosophy? ... I am saying it does. ... He is propounding of a philosophy of man's dependence upon himself to a place where God is ruled out, and that is communism."⁷⁸

The committee, after hearing Dunton's defence of the scheduling of these programs, backed away from any outright condemnation of the programs. It did not feel that it could, as a committee, "express an opinion on these broadcasts because it recognizes the right of every Canadian ... to adhere to his own beliefs, religious or otherwise." The committee expressed its support for the principles stated in the CBC's White Paper on controversial broadcasting, but advised that "where views on any subject are going to be expressed which are known to be controversial, care be taken to ensure that full effect is given" to the "right to answer," so that the same listeners have the fullest opportunity to hear all sides.⁷⁹

Commenting on this, *Maclean's Magazine* editorialized:

There is some comfort in the reflection that parliament saw the dangers into which it was heading. There is less comfort in studying the pressure which certain religious leaders and their lay affiliates brought to bear both on the CBC and on parliament in an effort, not merely to criticize, refute or dispute

78 / 1951 *Proceedings*, pp. 16, 33, 42.

79 / *Ibid.*, pp. 473–4.

views which differed from their own, but to *silence* those differing views. The director of the Catholic Action Committee, Montreal diocese, wrote the general manager of the CBC: "The Catholic Action Committee would be very grateful if you would stop these broadcasts or at least, if this is not possible, have the scripts checked by some responsible person in order that views contrary to our Catholic views will not be discussed." The president of the General Federation of the Leagues of the Sacred Heart urged that Bertrand Russell be taken off the air. The Catholic Women's League demanded parliamentary action. The United Church Observer, which did not advocate muzzling the offending speakers, suggested that they should have been required to say what they had to say in an open forum, with spokesmen for the churches standing by to "answer" them point by point.

Maclean's called this last proposal at the best impractical, at the worst unfair. "We doubt that even the most unreasonable supporter of Lord Russell or Dr. Hoyle would claim for his man the right to interrupt every orthodox sermon heard over the CBC or follow it with an immediate postscript."⁸⁰

The committee's report specifically rejected the Canadian Association of Broadcasters' view that only the technical aspects of broadcasting should be regulated: "Your Committee ... believes that by its essential nature broadcasting must be subject to control on behalf of the public; that our concepts of freedom can best be served through this limited medium when Parliament is in a position to ensure that the principles of freedom are carried out to the greatest extent possible; and that a national broadcasting authority created by Parliament is essential in the public interest." The committee agreed with the Massey Commission that the CBC "as now constituted" must be that authority, and continue to provide "directly by its operations and indirectly by its control of the operations of others a national radio broadcasting service free from partisan influence." It also supported the commission's recommendation that a national television service be provided under the aegis of the CBC, and asked that the corporation proceed as soon as practicable with the extension of television coverage.⁸¹

When the House of Commons considered the Broadcasting Committee's recommendations on the amending bill, Conservative members asked for two changes. Donald Fleming moved to strike out references to grants in succeeding years; this would have made the CBC dependent upon annual appropriations from Parliament. His amendment was negated by a vote of 28 to 55. John Diefenbaker moved an amendment to widen the right of appeal as favoured by the CAB, which would

80 / "Religious Censorship and the CBC," *Maclean's*, Jan. 1, 1952.

81 / 1951 *Proceedings*, pp. 472-4.

have allowed any person affected by a CBC ruling to appeal to the Exchequer Court on any question of law or fact. His amendment was also defeated.⁸²

In the Senate, the bill ran into more criticism from Liberal members than it had in the Commons. Senators Crerar, Turgeon, and Gouin all expressed the view that a separate regulatory board should be established. Senator Norman Lambert recalled that in 1935 he had followed closely the evolution of the CBC, and he had favoured the system then established. He thought that it had worked well for the first ten years in promoting a sense of national unity. But now there were complaints about certain controversial programs, especially news commentaries, and it appeared that freedom of speech might have become licence. Lambert believed that private interests should be allowed to share in the development of television. He was afraid of the concentration of too much power in the CBC, and asked that the bill should be examined by the Standing Committee on Banking and Commerce.⁸³

The Banking and Commerce Committee proposed an amendment to the bill that would have allowed appeals from private stations against suspension of licence on questions of fact, as well as on questions of law. Senator Roebuck, who made it clear that he supported CBC regulation of private stations, nevertheless favoured broadening the right of appeal. But other Liberals, including Senators Hugessen, Beaubien, and Wishart Robertson (the government leader in the Senate) spoke against the committee's amendment, which was defeated by a vote of 10 to 18.⁸⁴ When the bill received royal assent on December 21, the CBC's role as broadcasting authority was left unimpaired, and its mandate to develop a national television service had again received parliamentary approval.

Before the 1951 Broadcasting Committee had started its hearings, the CBC's general manager, Dr. Augustin Frigon, who had been in ill health, stepped down to a new post as director of planning. His long career in public broadcasting, which had begun in 1928 as a member of the Aird Commission, ended with his death in July 1952. The *Canadian Broadcaster* called him "the Father of Canada's National Radio System," and the *Montreal Star* wrote that no single person had laid so deep a mark on Canadian broadcasting.⁸⁵ Frigon was an able administrator and a devoted public servant, whose contributions were not fully recognized in

82 / *Debates*, Dec. 13, 1951, Fleming amendment, pp. 1896–1909; Diefenbaker amendment, pp. 1910–11.

83 / *Senate Debates*, Dec. 17, 1951, Turgeon, pp. 274–5; Crerar, pp. 276–8; Gouin, pp. 281–3; Lambert, pp. 272–4.

84 / *Ibid.*, Dec. 19, 1951, pp. 314–22.

85 / *Canadian Broadcaster*, July 16, 1952; *Montreal Star*, July 10.

either English-speaking or French-speaking Canada. A man of broad knowledge and undoubted integrity, he was at times rather too deferential to constituted authority; on a few occasions, his acquiescence to suggestions from the government resulted in criticism by his program staff, particularly on the English Network.

For a brief time he was succeeded as general manager by Donald Manson, who had also served with the Aird Commission as its secretary. Alphonse Ouimet became general manager on January 1, 1953. He had been the CBC's chief engineer and the man in charge of television planning and development. The first stations had opened in Montreal and Toronto in September 1952. He and A. D. Dunton, were faced at once with a staggering number of new technical and administrative problems and major policy questions – some of them new, many of them as old and difficult as those uncovered by the Aird Commission. Canadian broadcasting policy had generated unrelenting controversy for twenty-five years and with television, where the stakes were enormously higher, the contest over public policy in broadcasting would be redoubled.

17 INTERPRETATIONS

THERE HAD BEEN thirty years of radio broadcasting in Canada, and now there was television. For the Canadian system, the most significant fact was that Parliament had decided to continue the mixture of public and private ownership as before, reaffirming the clear pre-eminence of the public sector. As another government explained it fifteen years later, "The determination to develop and maintain a national system of radio and television is an essential part of the continuing resolve for Canadian identity and Canadian unity."¹ The compulsion to have a broadcasting system to serve national needs was just as strong in 1951 as it had been in 1929, when the Aird Commission found unanimity in Canada on one fundamental question – Canadian radio listeners wanted *Canadian* broadcasting.

Nationalist sentiment had achieved Canadian ownership and control of stations and networks, full coverage for the scattered population of an immense territory, and the use of broadcasting to foster national objectives. The aims had been national survival, whether in English or in French Canada or in Canada as a whole; a Canadian sense of identity; national unity; increased understanding between regions and language groups; cultural development; and the serving of Canadian economic interests. Often the objective was described negatively as the development of an identity separate and distinguishable from that of the United States. Seldom was nationalist sentiment precisely articulated, but it was broader than patriotic jingoism and something more ambiguous than national self-interest. In particular, the differing assumptions in French- and English-speaking Canada were left almost unexplored. Yet, in the name of nationalism much had been done by 1951, in less than twenty years.

In the early 1920's only a few had thought of radio as an instrument for the clearer delineation of a Canadian identity – notably among these, Sir Henry Thornton. But as the decade wore on, others expressed concern that American commercial interests were about to gain control of

1 / Secretary of state, *White Paper On Broadcasting* (Ottawa, 1966), p. 5.

Canadian broadcasting – J. S. Woodsworth in the House of Commons, Charles Bowman in the pages of the *Ottawa Citizen* and as a member of the Royal Commission established in 1929. The other two members of the Aird Commission had been predisposed to favour private ownership and development of radio broadcasting, but they came around to Bowman's point of view as they became convinced the prevailing system would deny Canadians Canadian programs. The Canadian nation, they said, could be adequately served only by some form of public ownership, operation, and control "behind which is the national power and prestige of the whole public of the Dominion of Canada."

It was the Canadian Radio League, under the leadership of Graham Spry, Alan Plaunt, and Brooke Claxton, who succeeded in forcing a decision. Their central concern was not "nationalism," but better broadcasting – broader in scope than the service provided by the commercial system, free of the limits of the popular success, of the "profit and loss" value system. But they discovered very early that the most powerful public appeal they could exercise was a national one. This was expressed in such tags as "Canadian radio for Canadians" and "The state or the United States." In 1935 Graham Spry explained that there were two motives that led to the broadcasting legislation of 1932. "The first of these driving motives was the national motive, and it was predominant. The second motive was the free use of broadcasting by all sections of opinion. The positive aspect of the national motive was the use of broadcasting for the development of Canadian national unity, and the negative aspect was the apprehension of American influences upon Canadian nationality, particularly as it concerned public opinion."²

The first parliamentary committee on radio in 1932 spoke of broadcasting as a medium for "developing a greater National and Empire consciousness within the Dominion and the British Commonwealth of Nations." Prime Minister Bennett, introducing the legislation of 1932, said: "This country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or influence." Broadcasting must become an agency by which "national consciousness may be fostered and sustained and national unity still further strengthened."³ And in 1936 Mackenzie King, impressed by the Radio League's presentation, was reported to have said, "We want the Aird Report, and this is the Aird Report brought up to date."

When it was time to select the man who would manage the CBC,

2 / G. Spry, "Radio Broadcasting and Aspects of Canadian-American Relations," in Carnegie Endowment for International Peace, Conference on Canadian-American Affairs, *Proceedings*, edited by McLaren, Corey, and Trotter, p. 107.

3 / *Debates*, May 18, 1932, p. 3035.

Plaunt and Claxton, for specifically nationalist reasons, were determined that the man preferred by C. D. Howe would not be chosen. As Claxton wrote the Hon. Norman Rogers: "Brophy ... has always opposed national radio in Canada, having worked tooth and nail against it at the time when Murray was out here before. ... No one has suggested that he has any idea that it [the corporation] will be used for purposes of strengthening national unity and healing the rapidly widening gap between the races and sections of Canada. Murray, on the other hand, I believe sees this completely." And the Radio League's supporters in the press spoke of a lobby at Ottawa "designed to deliver the Canadian Radio field to American interests."⁴

In their radio broadcasts and public addresses, Brockington and Murray emphasized the national objectives of the CBC in promoting Canadian unity and in bringing about a better understanding between the two language groups and the different regions; and they insisted that the construction program advanced by the board of governors was necessary for "national policy." Howe's effort to slow down public ownership was in effect overruled by the prime minister, and the building of a nationally owned system of high-powered stations went ahead. The parliamentary committees of 1938 and 1939, in unanimous or nearly unanimous reports, supported the construction plans and the loans and increased licence fee necessary to put them into effect. Later committees, not so unanimously, reiterated that the CBC was to be the single body, responsible to Parliament, exercising control of the national broadcasting system.

But we cannot push this too far. Canadians have never made a clear choice between broadcasting as "public service" and broadcasting as a commercial medium and predominantly the purveyor of light entertainment. The earliest public opinion surveys on record indicate that most Canadians thought the CBC was doing a "good" job or a "fair" job: in 1949 the Canadian Gallup Poll reported that 69 per cent of a national sample replied in these terms, whereas only 16 per cent thought the CBC was doing a poor job. The Massey Commission found overwhelming support among leaders of organizations for the purposes of the national broadcasting system. Yet, Canadians were strongly attracted to the entertainment programs from the United States, and their derivative Canadian equivalents. Canadian governments, furthermore, had deliberately maintained the private ownership of local or community stations, alongside and within the CBC networks, encouraging the CBC to carry

4 / Plaunt Papers, box 6. The second quotation is from a letter to Plaunt from M. E. Nichols of the *Vancouver Daily Province*, July 14, 1936.

its own and imported commercial programs on those networks. The Canadian system therefore incorporated not only a national objective of public service broadcasting, but also the commercial principle that had determined the structure of broadcasting in the United States.

By 1951, in spite of the repeated statements of commissions and committees affirming the primacy of the public sector, the private broadcasters had made steady gains. By the time of the Massey Report, the balance had already shifted, and no one could predict whether the commercial rationale might not ultimately displace the national motive as the primary principle of the Canadian system. In the propaganda battles over broadcasting, the fully commercial system of the United States appeared to have several advantages. It seemed to offer freedom of speech, and freedom from government dictation or influence. It seemed "free" in another sense: for the listener, there was no tax or licence. Then, too, most of the programs had mass appeal, since otherwise they would not attract advertisers, and the stations would not make the greatest profits.

In respect to the first claim, experience showed that private networks and stations afforded opportunity for a rather limited range of expression. Controversial broadcasting was not a money-maker and probably did not help the ratings. On the other hand, fifteen years of experience had shown that freedom of speech could be maintained (on the whole) under the CBC set-up. The historian, Arthur Lower, wrote in 1953:

I cannot see any turn towards true freedom coming out of private radio and television. On the other hand, ninety out of a hundred people who have had any experience in the matter will agree that under the CBC the essential conditions of true freedom *have* been preserved. ...

May I ask how much freer the American air is than our own? It is freer in the sense of there being more mutually interfering stations, as a casual turn of the dial indicates. The American radio has the traditional American form of freedom – anarchy. But is *opinion* there any freer? Is news any more accurately and impartially broadcast? Who dares to contend that such is the case?

... So let us have no more talk of freedom! What is up is profits, *and* the Americanization of the new medium.⁵

Under the American system, because people were not aware of paying for the service provided, they did not think of holding the broadcaster accountable. Rather they assumed that if a person did not like a particular program or a particular station, he merely switched to another. Occasionally an educator or a professional critic would complain that

5 / A. R. M. Lower, "The Question of Private Television," *Queen's Quarterly* LX (Summer 1953), 175.

the choice offered was not a real choice, since every commercial station or network, trying for a mass audience, offered much the same kind of thing. But in the main, American audiences seemed pleased with their lively and entertaining radio fare; and just when radio was coming under heavier critical fire, the appearance of television captured popular attention and enthusiasm.

But there was more to recommend the American system of private broadcasting than the painless way in which it was paid for, and the lively entertainment that it produced. It also seemed to be an important (some said indispensable) part of the capitalist system on the North American continent. Advertising agencies and sales representatives were sure that the benefits of mass production could never have been realized in such great measure if radio had not been used to disseminate information about goods and services, and so increase the market. If broadcasting was to be a means of advertising, it seemed natural that, like other forms of business, it should be privately owned, and respond to the same laws of supply and demand as other forms of business enterprise.

This accorded well with an attitude that most Canadians had in common with other liberal democracies of the twentieth century, and notably with the United States: a belief that, whenever possible, choices should be made by the processes of the free market; a feeling that individuals should be allowed to engage in economic enterprise without government interference; a feeling that "the government should stay out of it." Allied to this attitude is a belief that a close analogy exists between the competitive market system and the process of liberal-democratic government. The most "democratic" system of broadcasting, so this argument runs, allows individuals to enter the field, where physical and other conditions permit, with the least possible restraint from any centralized authority. The system is even more "democratic" if it gives all other individuals a chance to choose the programs they receive from a multiplicity of offerings; and it is more "democratic" still if such choices have a direct effect on the way in which entrepreneurs are rewarded or penalized: that is, through the sale of goods or the maximizing of profits. Here is the rationale for the United States broadcasting system as expressed by Professor Hettinger in 1935:

The program service offered by American broadcasting is unusually complete. It is typically American, adapted to national conditions, the broadcaster giving the public those programs which constant research and direct expression of opinion indicate to be most popular. It is necessary that he

do this if he is to build station and network circulation with which to attract advertisers.

The democratic control of programs is by no means a perfect one, though there is probably no better method available. It possesses all the strengths and weaknesses of democracy operating in the social and political fields. Democratic control of programs implies control by the listening majority.⁶

This is usually called, "Giving the listener what he wants." As Hettinger adds, "It is only to be expected that the majority of listeners would rather be entertained than edified."

The concept of broadcasters being responsible to the general will of listeners, who are able to make their wishes known through means other than the political mechanism, is implicit in various statements by Canadian broadcasters. In 1934 Harry Sedgwick, president of CFRB, told a committee of the House of Commons: "The Parliamentary Committee, the Radio Commission, the Radio Advertiser, and the Station Operator are all before the bar of the listening audience, and subservient to its interest. ... There will be a much happier listening audience if it is left largely to take care of itself and express its disapproval by refusing to listen rather than have a commission arbitrarily enact regulations as to what the public itself wants."⁷ In 1949 the Canadian Association of Broadcasters, arguing for "free" radio before the Massey Commission, expressed confidence that "your review of the activities of the privately-owned broadcasting stations in Canada will reveal that they are being operated, in effect, by the listeners."⁸

But this is disingenuous, concealing some of the real differences between the philosophies of public and private ownership of broadcasting. It does not face up to the question of who controls program policy, network policy, and the extension of service throughout the country; of whose values the broadcasts will reflect. In the commercial system, these values will be of the private owners and the advertisers; or, if not the values that they hold as individuals, those of the market system, those that encourage the growth of profits. The tastes that are catered to are those of the passing moment; the system does not take into account the variety of tastes that audiences have, nor the long-term interests of society as a whole. In Canada, the philosophy of private broadcasting had another and special implication. In terms of marketing and industry, Canada was becoming more and more a branch plant of the USA. If the

6 / H. S. Hettinger, "Broadcasting in the United States," *The Annals of the American Academy of Political and Social Science*, CLXXVII (Jan. 1935), p. 11.

7 / *1934 Proceedings*, p. 335.

8 / *Canadian Broadcaster*, Sept. 21, 1949, p. 13.

usual market conditions determined program fare on Canadian stations and networks, there was no doubt that American broadcasting would overwhelm the domestic product. The economies in importing programs, the thrust of American publicity and promotion, the orientation of the big advertisers and agencies, would mean that the "Canadian" character of the broadcasting system would all but disappear. Legislation could ensure that the stations were still in the hands of Canadian owners. But the programming would be an extension or replica of that produced in New York and Hollywood. A regulatory board, as demonstrated in the United States, could provide only negative restrictions, or guideposts marking limits. It could hardly create what the system found antithetical.

Given the assumptions of the private owners, however, their protests against "state monopoly" and "unfair competition" seem to make perfect sense. It was their view, the Massey Report said, that radio was primarily a means of entertainment, a by-product of the advertising business. The United States, according to the Massey Commission, follows the view that radio broadcasting is primarily an industry; there radio has been treated primarily as a means of entertainment open to commercial exploitation, limited only by the public controls found necessary in all countries.⁹

Four of the five members of the Massey Commission concluded that such an outlook was a denial of the principle on which Canadian broadcasting had been based and of the assumption that there should be one national system, controlled in the public interest by a body responsible to Parliament. The concept of a single system was related to the idea, accepted for twenty years, that broadcasting was a public trust. Stations were expected to help distribute the important national programs, and most private stations were still affiliated with one of the CBC networks. The commissioners with the exception of Mr. Surveyer considered that national control could most effectively be provided by the CBC, and not by a separate regulatory board. They added that the complaints of the private stations, that the CBC Board of Governors was at once their judge and their business rival, implied a view of the national system that had no foundation in law, and which had never been accepted by parliamentary committees or by the general public. (The conclusions of the Royal Commission headed by Robert Fowler in 1957, and of the Fowler Advisory Committee in 1965, were substantially similar.)

The commissioners must have been aware, however, that there were powerful influences at work to change the system, and that there was at

9 / *Massey Report*, pp. 276-9.

least an even chance that in a few years' time the priorities would be reversed. We have noted the popular preference for American programs and acceptance of the advertising rationale which accompanies them – a preference which was even then spreading throughout the English-speaking world, and which gained impetus with the arrival of television. These programs were often produced, distributed, or promoted by American corporations with business interests extending into Canada, either directly or through Canadian subsidiaries. At the very least, Canadian companies on the receiving end were eager to fit into the American pattern of radio stations, station representatives, advertising agencies, and potential sponsors. As the vested interests were drifting more and more into the United States orbit, Canadian private radio found itself becoming increasingly dependent on the American recording industry. To hold the line on the “public” or “national” principle would be harder and harder.

Public broadcasting had begun with inter-party agreement in 1932 and again in 1936, but by the mid-forties, this agreement had crumbled. Partly this was due to the circumstances of the war, and the use made of the facilities of the CBC by government leaders in broadcasting “non-partisan” messages to the Canadian people. Even more, it was due to the unwillingness of the Liberal party to extend political time to the opposition, weak and divided though it was after the election of 1940. This would not have mattered if the CBC had been under strong leadership, determined to put into effect the provisions of the White Paper that had been approved in 1939. But the hegemony of the Liberal party coincided with dissension within the CBC board and administration, and the CBC did not recover its determination to be independent of the minister until after its board and general manager had been partially discredited by the investigation of 1942. Even then, the board was shortsighted in refusing requests to broadcast from the leaders of the Conservative party, Mr. Meighen and Mr. Bracken. The commercial interests were able to persuade first some of the members from Toronto, and then other leading Conservatives, that their cause was just, that the CBC was a menace to free speech, and that the private stations suffered under a system in which the regulating authority was “cop and competitor.” By the mid-forties, the Social Credit and Progressive-Conservative parties had changed their position, now favouring not only abolition of the licence fee, but a separate regulatory board. Whenever there was a dispute between private stations and the CBC, as in the shifting of wavelengths for CFRB and CFCN, the private stations could count on support from the Conservative and Social Credit members in the House of

Commons. Even some Liberals would on occasion stray from party discipline to flay the CBC. We find, then, the reports of the parliamentary committees in 1946 and 1947 becoming more tentative in their rejection of the private broadcasters' demands for a separate regulatory board and a down-grading of the CBC.

Throughout this period, the CBC kept the support of most of the voluntary associations that had wanted a national broadcasting system: the Canadian Federation of Agriculture, the labour unions and the labour congresses, the women's organizations, the adult education movement, and other groups concerned with education and citizenship. But none of them could match the persistence of the private broadcasters' lobby. They were, after all, concerned with many other things; none of them had a substantial economic interest in the outcome of the struggle; and it was hard for them to organize their support year after year, as committee succeeded committee. The appointment of the Massey Commission, some of them hoped, would settle the matter for a good long period ahead.

The private stations necessarily led the battle against the existing system, at least in public. And they were much richer and more powerful than they had been a decade earlier. During one span of three years, according to the Massey Report (p. 281), the total operating revenues of the private stations increased from nearly ten to over fourteen million dollars. During the same period CBC operating revenues rose from nearly six millions to seven and a half millions, little more than half the revenue of the private broadcasters. The total assets of the private stations at the end of 1948 were twenty-seven millions, three times as great as the assets of the CBC.

Moreover, the private broadcasters had fashioned their association into an increasingly effective pressure group, profiting from the skilled and experienced leadership of such men as Harry and Joseph Sedgwick of Toronto. The CAB encouraged its members to take an active part in local boards of trade and various charitable drives; not unnaturally, private stations gained the full support of the Canadian Chamber of Commerce and its local or provincial counterparts. In many constituencies station owners had easy access to members of parliament of whatever party, since such an advantageous channel of communication with constituents as radio was not likely to go unappreciated by the parliamentarian.

And they had public support from a powerful group that had nearly completely changed sides: the country's newspapers. At the time of the

Aird Report, and later during the campaign of the Radio League, the newspapers had predominantly supported the principle of a national broadcasting system. A few large papers with radio stations of their own, or papers which hoped to get stations, opposed the creation of the CRBC or the CBC: *La Presse*, the *Globe* (later the *Globe and Mail*), the *Telegram*. But these were exceptions. Most of the newspapers in the 1930's regarded private stations as their competitors for advertising revenue, and thought that a national, largely non-commercial system was in every way superior to that which had been in existence. Newspaper editors such as Charles Bowman and J. W. Dafoe had taken the lead in rallying support for the efforts of the Radio League; and these two men never wavered in their support of the system created in 1936, even when their publishers did.

Some of the Southam papers were the first to change their editorial position, starting with the *Edmonton Journal*, followed by the *Calgary Herald* – both of them owning stations. After the death of Dafoe, the Sifton chain followed suit – the *Winnipeg Free Press*, the *Saskatoon Star-Phoenix*, and the *Regina Leader-Post*. The Siftons also had become owners of several stations. When the CBC did not reduce its commercial activities as much as had been hoped, several other newspapers became strongly critical of it: the *Montreal Gazette* and the *Vancouver Sun*, for example. By 1950, 41 of the 119 private radio stations were owned in whole or in part by newspaper interests. Many publishers therefore thought of the public broadcasting system as their business rival.

Beyond these questions of how the forces on each side were mobilized, and what tactics they used to make the system more amenable to their interests, is the question of how Canadian society itself was being shaped and transformed. Two decades earlier, it had not been difficult to enlist the country's elite to support the idea of a national system, publicly controlled. There was Sir John Aird himself, direct from the boardroom of the Canadian Bank of Commerce; Sir Robert Borden, Newton Rowell, Arthur Meighen, John Dafoe, two members of the Southam family, Louis St. Laurent, Vincent Massey, George Wrong. In 1951 it would have been much harder to enlist so representative a group from the "establishment," certainly from the business establishment.

And then, if after the Massey Report a group had been formed comparable to that which backed the Radio League, how many of the Canadian people in 1951 would take their lead from those who stood for traditional values? Commercial values – in an affluent Canada – seemed to have taken over. Broadcasting as it had developed no doubt

contributed to that phenomenon. There was money for mass consumption of consumer goods (US style), and a ready market for the mass programming it paid for. Commercial broadcasting fitted the post-war escapist mood, and even now it continues propagating the notion that there are no serious problems, or that if problems exist, they are all approximately equal – the kind that can be wrapped up in a thirty-minute package. Consumer-oriented public opinion is encouraged in the attitude, “You’ve never had it so good,” or “If you have problems, change yourself, not society.”

In its fear of “Americanization” the Massey Report may have reflected an elitist distrust of mass culture and new technologies; if so, it was wielding a broom to hold back the tide. But Massey and his fellow commissioners spoke for a large segment of the Canadian public, and not just those who bewailed the decline of aristocratic values, when they advocated maintaining a broadcasting system that operated in the long-term interests of Canadian listeners and the Canadian nation. Like Spry and Plaunt, they too were concerned not just with Canadian identity, but with “better broadcasting.” The commission realized that nationalism is not a sufficient justification for a broadcasting system, but that broadcasting had to be under national control if it is to develop broadly and flexibly as a medium of communication. Their recommendations showed faith that broadcasting can serve changing Canadian needs, and that while continuing to be entertaining, it should provide more than passing fun.

Broadcasting which operates as an auxiliary to advertising must treat man as essentially a consumer, a buyer of goods; and the programs are subservient to that end. A full broadcasting service operates on quite another principle, appealing to man as an active and creative person, Aristotle’s “political being,” with a potential for growth. National control, then, is not an end in itself, and never has been in Canada. It is the necessary condition for a system designed, in the North American context, to assist Canadians to know the changing society around them, and to adapt successfully to it. The framework for such broadcasting was established in Canada forty years ago. The struggle to improve, even to maintain it, is greater today than ever before, and more crucial still to our survival as a nation.

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FRANK W. PEERS

The Politics of Canadian Broadcast- 1920 1951 casting

The Politics of Canadian Broadcasting 1920–1951

*A study of the development of
Canadian broadcasting
from the beginnings of radio to the
advent of television*

FRANK W. PEERS

The essential issues in Canadian broadcasting, still the focus of political controversy, emerged thirty years ago. In its first decade, Canadian broadcasting followed the American pattern of private ownership with little government control. But in 1932, with the creation of the Canadian Radio Broadcasting Commission, the Canadian government adopted a policy that broadcasting should be an instrument of national purpose. A mixed system of private and public ownership developed: the commission broadcast programs and also regulated the broadcasting of private stations. The conflict which soon developed in the industry between service and profit as the purpose of broadcasting is still an issue today.

In this comprehensive analysis of the development of Canadian broadcasting policy, Professor Peers describes the contending forces, the politicians, pressure groups, newspapers, and business interests that joined in the conflict. Struggles between broadcasters and government leaders, between political parties, between members of the same party and between broadcasters themselves, went on both openly and behind the

continued on back flap

continued from front flap

scenes. The fascinating story of these power struggles is told for the first time, and their significance in the development of the Canadian broadcasting system is placed in perspective.

Professor Peers also examines the two royal commissions and eleven parliamentary committees which investigated radio broadcasting between 1928 and 1951. He assesses their influence and effectiveness as well as the role played by parliamentary debates during the period. This is an exhaustive account of the development of Canadian broadcasting, and an excellent case study of the political process.

FRANK W. PEERS was educated at the University of Alberta and the University of Toronto where he received a PH.D. Until 1963 he worked with the CBC as producer, program organizer, and supervisor of public affairs programs in radio and television. He is now associate professor and supervisor of MA studies in political science at the University of Toronto.

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THE POLITICS OF
CANADIAN BROADCASTING
1920-1951

Frank W. Peers

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PREFACE

THIS VOLUME traces the development of broadcasting policy in Canada up to the inception of television in 1952. In writing it I have benefited greatly from access to collections of papers and documents, particularly the Alan Plaunt Papers in the Library of the University of British Columbia. Alan Plaunt and Graham Spry were the founders of the Canadian Radio League, and their efforts, more than any other single force, helped transform Canadian broadcasting in the 1930s from a feeble replica of American radio into a system that would meet the interests and needs of Canadians within the two main language groups. I am grateful to Mrs. H. A. Dyde for permission to consult the Plaunt Papers, and to Graham Spry not only for access to his personal collection but for many hours of conversation that helped place the events of those years in perspective. Dr. Gertrude Gunn, of the Harriet Irving Library at the University of New Brunswick, gave me permission to consult the R. B. Bennett Papers then on loan to the Public Archives in Ottawa. The late Austin Weir, himself a pioneer in good broadcasting, was most helpful in discussing broadcasting past and present. Among other former colleagues who assisted me in gathering information were Louise Simard, Margaret Cooke, Davidson Dunton, René Landry, Barry MacDonald, Dan McArthur, Neil Morrison, Finlay Payne, and Bernard Trotter. The staff of the Public Archives and the Parliamentary Library in Ottawa were at all times indefatigable in answering my requests.

A special word of thanks should go to Professor Alexander Brady, who encouraged me to undertake the study and who has read the greater part of the manuscript, as has Vincent Tovell, a friend and former colleague in the CBC. The research was facilitated by a Canada Council fellowship and by smaller grants from the Centennial Commission and the University of Toronto; the publication was assisted by a grant from the Publications Fund of the University of Toronto Press. For all of these I am most grateful.

F.W.P. University of Toronto, December 1968

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THE POLITICS OF CANADIAN BROADCASTING

1 THE CANADIAN EXPERIMENT

IN NORTH AMERICA radio and television have developed primarily as commercial media. Typically, the programs exist to sell goods, and the stations and networks are private ventures, only lightly touched by state regulation. We might have expected that Canada, a country whose social characteristics strongly resemble those of the United States, would have developed a broadcasting system on the American model, or even subsidiary to it. But Canadian radio diverged from the American – and the how's and why's of that divergence are the theme of this book.

Canadians did not find it easy to strike out on their separate path. At every step there were doubts about the wisdom of having a distinctive policy in the context of North American broadcasting. There have been and there still are violent arguments between opposing factions. But governments, however reluctantly, have committed themselves to a Canadian approach. It is true that official statements have not always meant in practice what they seemed to say; those who lost a battle were not convinced that they had lost the war, and ways were found to alter the intent of Parliament's decisions. Yet a unique Canadian system of broadcasting endures. It reflects values different from those prevailing in the British or American systems. It not only mirrors Canadian experience, but helps define it.

Successive Canadian parliaments have decided that broadcasting should be an instrument of national purpose. For this they set up a publicly owned system, within which private and commercial broadcasting have always had a place. The clear intent was and still is to give the dominant role to the public service, yet the pressures of the private broadcasters are now, after thirty-five years, stronger than ever. There is still no settlement of the conflict between service and profit as the guiding motive of broadcasting. What appear to be the same questions of public policy are fought and refought. Does Canadian broadcasting match Canadian needs? Are we prepared to pay for a system to meet them? Can Canadian broadcasters purvey increasing quantities of American

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mass entertainment without surrendering totally to its commercial ethos? What public controls should there be? How should they be exercised, and by whom?

Inquiry succeeds inquiry; commissions report, and committees review the work of the commissions; finally governments act. Yet the debate goes on. In part, the problem is that relatively few Canadians, in or out of Parliament, have any clear idea of how Canadian policies have developed and to what national objectives they relate. Most of the possible alternatives were proposed and thoroughly discussed when broadcasting meant radio. Television complicated the issues without changing them essentially. There are four broadcasting acts which have defined the Canadian system since it began in 1932. They remind us of the unresolved ideological conflicts that attended our initial decision to invent yet another Canadian compromise. They also show a stubborn determination to control our own mass communications.

1 *Beginnings*

Regular broadcasting began in Canada about the same time as in the United States, that is, in 1920. The Westinghouse station in Pittsburgh, KDKA, inaugurated its service on November 2, 1920, by broadcasting returns of the Harding-Cox presidential elections; it had been broadcasting experimentally for many months, using the call letters 8xx. In Montreal, a station of the Canadian Marconi Company received a licence to broadcast in 1919, under the call letters xwa. It began regular broadcasts in December 1920 with programs of gramophone records, news items, and weather reports.¹ In Great Britain, the Marconi station at Chelmsford, England, broadcast daily programs during a part of the year 1920, but this work was still considered experimental and was not sustained.

It is not surprising that broadcasting began in these three countries about the same time. Up to the First World War, radio invention remained an international process. It was carried on by men of many nationalities in many places, and results in this first stage were freely interchanged. Initially, the development was in the wireless transmission of signals, of code – that is, radiotelegraphy. In this development, the best-known figure, Guglielmo Marconi, did some of his experimental work after 1901 in Canada, assisted by a Canadian government subsidy

1 / William Malone, "Broadcast Regulation in Canada" (unpubl. thesis, Cambridge, Mass., 1962), pp. 1–2.

of \$80,000.² The transmission of the voice by radio waves, or wireless telephony, was made possible by the experiments of two men working in the United States – a Canadian, R. A. Fessenden, and a native of Iowa, Dr. Lee de Forest. During the war, all wireless activity was strictly controlled by the government of each country, but research and experiments continued, especially in the United States, which was engaged in the war for a much shorter period. After the war, radiotelephony was developed into the radio broadcasting of sound, that is, “the transmission of sound from a transmitter using a certain wavelength (or frequency) to receivers attuned to the same wavelength, without the aid of physical connection by wire.”³

Canadian Marconi (or as it was then, the Marconi Company of Canada Ltd.) applied for a licence in Montreal in 1919, since part of Canadian Marconi’s business was to manufacture and sell the transmitting and receiving equipment used by radio amateurs. An employee of the company, Max Smith, thought that in order to create public interest in “amateur radio telephone apparatus” the obvious thing to do was to give the prospective purchaser something to listen to. His general manager accepted the proposition, and Max became the first recognized radio “voice” as director, announcer, operator, and general factotum of the Marconi station in Montreal.⁴

On May 20, 1920, a physicist from McGill University, Dr. A. S. Eve, spoke to the Royal Society of Canada, meeting in Ottawa, on “Some Great War Inventions.” As part of his presentation, he arranged a demonstration of radio broadcasting, by which the audience assembled in the Chateau Laurier could hear a program originating in Montreal, from station XWA, more than a hundred miles distant. In the audience were such distinguished guests as the prime minister, Sir Robert Borden; the governor-general, the Duke of Devonshire; Mr. Mackenzie King, the leader of the opposition; and Vilhjalmur Stefansson, the noted explorer. According to the Canadian Press account, “the experiment took place at 9.30, and by means of a magna vox, the voice of the distant singer was quite distinctly heard in all parts of the hall.” The soloist was Miss Dorothy Lutton, surely one of the first singers in the world to have broadcast to an audience over one hundred miles away.

Station XWA became CFCF, Montreal – the call letters under which it is still broadcasting. It is without rival as the pioneer Canadian station;

2 / 1932 *Canada Year Book*, p. 608.

3 / T. P. Robinson, *Radio Networks and the Federal Government* (New York, 1943), p. 10; hereafter cited as Robinson.

4 / D. E. Bankart, “Putting Canada on the Air,” *Maclean's*, Nov. 15, 1926, p. 14.

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not until April 1922 were broadcasting stations in the country established on a general scale. Nearly every station started at this time was operated either by a firm supplying radio equipment or by a newspaper hoping to benefit by self-promotion. Among the newspapers which began radio operations early in 1922 were the *Vancouver Daily Province* (CKCD), the *Toronto Star* (CFCA), the *Manitoba Free Press*, Winnipeg (CJCG), and the *Winnipeg Tribune* (CJNC). A number of firms were granted licences but never opened stations; other applicants who received licences made use of the physical plant of other licensees; still others who began operation soon closed down, because it cost them too much or because they lost interest. In these first few months, the statistics of operating licences granted by the government do not mean much. The official report shows that as of March 31, 1923, licences had been issued to sixty-two private commercial broadcasting stations and to eight amateur broadcasting stations.⁵ A lower figure is given in the report of the Fowler Commission, which says that, during the fiscal year 1922–3, thirty-four private commercial broadcasting licences were issued by the Department of Marine and Fisheries.⁶ This figure more nearly represents the number of stations in actual operation.

In comparison with these thirty-four Canadian stations, 556 stations in the United States had been licensed by March 1923. In both countries, it was assumed that the government had only a peripheral interest in what was broadcast: that its essential responsibility was to prevent interference between broadcasting stations or between one type of radio transmission and another. For nearly a decade – from 1920 to 1929 – Canadians made no decisions on what kind of broadcasting service they wanted. Instead, matters were allowed to drift until well after the British and American patterns – opposite, in many respects – had been set.

2 *British and American Examples*

Soon after the Marconi Company in Britain established its first stations, the British Post Office was urging all the manufacturers of radio apparatus to enter into some scheme of co-operation in regard to transmission. These negotiations were assisted by a Post Office ban on advertising. From the subsequent meetings there developed a plan for a

5 / Report of the Deputy Minister of Marine and Fisheries, for the fiscal year ended March 31, 1923, LX *Sessional Papers* of the House of Commons, VI, no. 28, p. 144.

6 / Royal Commission on Broadcasting, *Report* (Ottawa, 1957), p. 297.

single company, the British Broadcasting Company, which was to represent all manufacturing firms and enjoy a monopoly in broadcasting. The British Broadcasting Company nominally took over broadcasting in mid-November 1922, was registered a month later, and received its licence from the Post Office in January 1923. Its revenue came mainly from a share of the fee which the government charged holders of receiving licences; the share (after October 1923) was 7s. 6d. out of a 10s. licence.⁷

In 1926 the British government decided upon an important change in the broadcasting monopoly. During the previous year it had appointed the Crawford Committee to examine the future of broadcasting. The committee's main recommendation was that the company should be replaced by a commission representing the public rather than manufacturing firms; but it also recommended that the management and personnel of the company should be retained. The government accepted the recommendations in principle, but changed them slightly: the new authority was called, not a commission, but the British Broadcasting Corporation; and, to emphasize its independence of Parliament, the new corporation was set up not by a special statute but by royal charter. It was created for a period of ten years from the first of January, 1927.

Within five years of the first regular broadcasts, Britain had adopted the policy that governed its system until 1954; in radio, the policy still holds. It rests on the assumption that broadcasting is a public service rather than an ordinary business. Broadcasting was operated by a single authority financed by licence fees paid by listeners, and governed by a publicly appointed board or corporation. "The State, through Parliament, must retain right of ultimate control," said the report of the Crawford Committee, but the governing body "should not be subject to the continuing Ministerial guidance and direction which apply to Government offices." The corporation should be "invested with the maximum of freedom which Parliament is prepared to concede."⁸ It was assumed that the postmaster general would be the parliamentary spokesman, but only on "broad questions of policy." The postmaster general's own position in relation to broadcasting was stated in the provisions of the licence granted to the new corporation. "He retained authority to approve the location, wavelength, power, and height of aërials of the broadcasting stations. ... He also had to approve the hours of broadcasting. He could

7 / An authoritative account of the early history of British radio is found in Asa Briggs, *The Birth of Broadcasting* (London, 1961).

8 / *Report of the Broadcasting [Crawford] Committee, 1925* (Cmd 2599, London, 1926), para. 16.

take over the stations completely in case of emergency. ..." In addition it was specified that "the Postmaster General may from time to time by Notice in writing to the Corporation require the Corporation to refrain from sending any broadcast matter (either particular or general) specified in such Notice."⁹

In the United States, broadcasting policy went in an opposite direction, although, as in Britain, it was evolved on national lines. The end of the era of international radio development was marked by the creation of the Radio Corporation of America (RCA) in 1919, the result of joint action by General Electric, Westinghouse, and American Telephone and Telegraph (AT&T). One of the purposes in establishing RCA was to buy out American Marconi, get control of its patents, and, by a cross-licensing agreement, forestall anything like a patent war. The secretary of the Navy, Mr. Daniels, had proposed government ownership, but this solution was not favoured by the other military departments or by a majority in Congress.¹⁰

Among these firms, only AT&T was not in the business of manufacturing radio receivers. By the cross-licensing agreement of 1920, AT&T was supposed to get revenues from the sale of transmitting equipment, from patent rights (including some rights it had previously acquired from De Forest), from the leasing of wire lines, and from its telephone tolls. By 1922, in a rapidly expanding market, it appeared that the sale of receivers, rather than the manufacture and sale of transmitters, was the more profitable. In that year AT&T decided to withdraw from the RCA consortium; Westinghouse, General Electric, and RCA each had stations of their own, and AT&T wanted to establish a New York station and finance it in a different way from the others.

In the opinion of AT&T, a radio broadcast, "like a telephone conversation, should be paid for by the person originating it; those who were using the new medium simply to promote their own products, far from performing a public service, were exploiting a popular craze."¹¹ On August 20, 1922, its station in New York, WEAJ, put a ten-minute talk on the air for which a real estate developer paid \$100. For the first few months, advertisers paid only for what we would now call "spot announcements," but in 1923 merchants began sponsoring hour-long programs of dance music.

Meanwhile, a particularly chaotic condition had developed in broadcasting frequencies. In 1912 an "Act to Regulate Radio Communication"

9 / Briggs, *The Birth of Broadcasting*, p. 358.

10 / Llewellyn White, *The American Radio* (Chicago, 1947), pp. 12-13, 29.

11 / *Ibid.*, p. 29.

had required anyone engaged in any form of interstate or foreign communication to obtain a licence from the secretary of commerce. Shortly afterwards, the attorney general advised that the act did not give the secretary of commerce any discretion in granting licences. In February 1923, however, the Court of Appeals of the District of Columbia ruled that while the secretary of commerce lacked the right to refuse a licence to an applicant, he did have power to designate the particular wavelength that each station might use.

The confusion over wavelengths helped precipitate the calling of the first National Conference on Radio by the secretary of commerce early in 1922, to consider and advise him on the whole subject of broadcasting. The question of the support for broadcasting by advertising or what was then called "toll broadcasting" also came up for discussion in this first radio conference. Herbert Hoover, the secretary of commerce, expressed an opinion that it was "inconceivable that we should allow so great a possibility for service ... to be drowned in advertising chatter."¹² The 1922 conference recommended that priorities be established in licences, wavelengths, and permissible power: the order of priority being government, public, private, and toll services. It further recommended that "toll broadcasting service be permitted to develop naturally under close observation."¹³ Under the prodding of the companies deriving their revenues from the sale of sets, the conference passed resolutions denouncing "direct sales talk."

But in the same year, the AT&T and its New York station, WEAf, were off and running. The company had withdrawn from RCA; but the patent agreement was still binding between it and the "radio group," Westinghouse, General Electric, and RCA. AT&T interpreted the 1920 agreement as giving it the sole right to charge "tolls"; and it could prevent those who purchased its equipment or leased its wires from doing what it was doing. By 1923 WEAf had a long list of program sponsors, whereas the agreement prevented RCA, Westinghouse, and General Electric from financing their stations in that way. Certain other stations (for example, WHN, New York) were brought to heel for "patent infringement," forced to pay a licensing fee established by AT&T, and prevented from selling time for advertising. In the face of increasing public criticism, the company began in 1924 to allow stations buying its transmitters the right to broadcast for hire – that is, allow commercial messages. "Within a year after the WHN controversy, 250 stations were licensed to broadcast under the American Company's patents and all could broadcast for hire

12 / C. A. Siepmann, *Radio's Second Chance* (New York, 1946), p. 140.

13 / Robinson, p. 14.

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except those from which a nominal license fee of only \$1.00 had been required.”¹⁴

By 1925 the question of “who should pay” under the American system was being settled. The question of who would operate networks, and who would pay for them, was also being settled. AT&T had already established a small commercial network of three stations; by the spring of 1925 it had expanded to thirteen stations, and by the end of the year to twenty-six stations; it extended as far west as Kansas City. Network broadcasting was likewise to be financed by the advertiser’s dollar.

It was also in 1925 that RCA decided it, too, must get into the business of selling programs. However, it decided it should do so only through a subsidiary “because (a) listeners wanted good programs with little or no advertising and (b) the sponsor expected a type of program which RCA would be ‘embarrassed’ to give him.”¹⁵ In September 1926 the National Broadcasting Company was incorporated as a subsidiary of RCA, with RCA, General Electric, and Westinghouse holding, respectively, 50, 30, and 20 per cent of the stock. Meanwhile, AT&T had received a legal opinion that it did not have an exclusive right to “broadcast for hire” under the old 1920 agreement, as had been assumed. The result was negotiations between it, RCA, and RCA’s associated companies. AT&T was induced to sell its station WEAf for one million dollars, in return for which it agreed not to re-enter the broadcasting field for seven years. The new company, the National Broadcasting Company (NBC), was now able to form networks, and to sell time on its stations and networks. With two key stations in the New York area, WEAf and WJZ, NBC established two commercial systems, the Red Network and the Blue Network. A rival network, the Columbia Broadcasting System, was formed in 1927.¹⁶

By this time, the American public seemed ready to accept advertising in its programs in return for networks and more money spent on program content. During the very early years, direct sales talks had been frowned upon. A meeting of the Association of National Advertisers in November 1923 was told by a WEAf representative: “By agreement with the Government, no direct advertising matter is to be broadcast. This restricts the use of the medium to indirect, or what may be called

14 / W. P. Banning, *Commercial Broadcasting Pioneer; the WEAf Experiment: 1922–1926* (Cambridge, Mass., 1946), pp. 210–13, 139. The \$1.00 fee was for stations owned by colleges, churches, and similar organizations. Other stations paid from \$500 to \$3000.

15 / White, *The American Radio*, p. 31.

16 / *Ibid.* The Red Network was the successor to the old WEAf network. A permanent coast-to-coast network was established in Dec. 1928. For details of the formation of NBC and CBS, see Eric Barnouw, *A Tower in Babel* (New York, 1966).

institutional advertising.”¹⁷ Nevertheless, the basic decision was being made about who would support and conduct broadcasting activity. Four national radio conferences were held at the invitation of the secretary of commerce, the last in 1925. The consensus, as summarized by an educationalist who was present at all of them, was that “broadcasting in the United States should be supported by industry rather than by revenue secured by taxation.”¹⁸ Development was to be private, not public. It remained only to work out the particular means of financing the enterprise. WEAf effectively resolved the issue, followed by NBC and CBS. So it was that the “rules” the broadcasters had made against direct advertising gradually disappeared altogether.

Legal doubts about the powers of the Department of Commerce still had to be resolved. Moreover, there was some feeling that, although the government should not finance or operate stations, broadcasting was in some measure a “public utility,” and government must maintain at least minimal controls. Herbert Hoover expressed this concern in a statement sent to a House committee considering new legislation in 1924:

It is urgent that we have an early and vigorous reorganization of the law in federal regulation of radio. Not only are there questions of orderly conduct between the multitude of radio activities ... but the question of monopoly in radio communication must be squarely met.

It is not conceivable that the American people will allow this new born system of communication to fall exclusively into the power of any individual group or combination. ... We cannot allow any single person or group to place themselves in position where they can censor the material which shall be broadcast to the public, nor do I believe that the Government should ever be placed in the position of censoring this material. ...

Radio communication is not to be considered as merely a business carried on for private gain, for private advertisement or for entertainment of the curious. It is a public concern impressed with the public trust and to be considered primarily from the standpoint of public interest to the same extent and upon the basis of the same general principles as our other public utilities.¹⁹

The House and the Senate could not agree on any bill proposed. Stations proliferated. As the result of a court decision in 1926, Secretary

17 / Quoted by Robinson, *Radio Networks and the Federal Government*, p. 16.

18 / L Tyson, in W. W. McLaren, A. B. Corey, R. G. Trotter, eds., *Proceedings of the [1935] Conference on Canadian-American Affairs* (New York, 1936), p. 120.

19 / Public Archives of Canada (PAC), file Record Group (RG) 33/14/5. Statement by Secretary Hoover at Hearings before the Committee on the Merchant Marine and Fisheries on HR 7357, “To Regulate Radio Communication, and for other Purposes,” March 11, 1924 (mimeo.). At times, Hoover seemed a bulwark against commercialization of radio; at other times he spoke as if the radio industry should be self-regulating. See Erik Barnouw, *A Tower in Babel* (New York, 1966), pp. 177–8.

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Hoover abandoned all attempts at regulation, and there was bedlam. In February 1927, Congress passed a new Radio Act, which created the Federal Radio Commission. When this was done, the essential elements of American broadcasting policy were in place. The 1927 act gave a five-man commission power to license stations and regulate radio communications "as public convenience, interest, or necessity requires." The commission could assign frequencies, determine power, times of operation, and locations. It could regulate chain broadcasting, refuse to renew licences for stations at the end of each three-year period, and revoke licences for cause. The act attempted to protect free speech over the radio; the commission was not to have any power of censorship. The act also attempted to prevent the growth of monopoly in the control of frequencies or the growth of monopolistic practices in the radio industry. The Communications Act of 1934 changed the name of the commission to the Federal Communications Commission, but repeated substantially the provisions of the Radio Act of 1927.²⁰

3 *Politics and Canadian Broadcasting*

The early story of broadcasting in Canada provides a considerable contrast to that of Great Britain or the United States. Until 1928, public authorities paid little attention to existing developments, as if broadcasting could be divorced from politics, or as if no new policies were needed. No national conferences were held, as in the United States, and no demands for new legislation were heard in the House of Commons. What public policy there was seemed to be made by civil servants, and it was tentative. In 1928 it was difficult to predict with any degree of confidence the direction in which Canadian policy would go: whether it would follow the American or the British pattern, or find a third course. On the face of it, one would expect Canadians to imitate the Americans. Most radio stations were in private hands, and they eagerly sought to emulate the bigger stations across the border in attracting commercial sponsors and becoming part of the new networks. Just at this point, "politics" prevented what many thought a natural development, and gave Canadian radio its distinctive pattern and its distinctive flavour.

Obviously, Canadian broadcasting could not for ever proceed as if no national policy were required. Technical limitations on the number of available frequencies necessitated intervention by the state. The question

20 / The Radio Act of 1927 is reprinted in Barnouw, *A Tower in Babel*, pp. 300-15.

of who would be given the advantage of a scarce resource, a frequency – this would be the result of a political decision. The essence of policy, it has been said, lies in the fact that through it certain things are denied to some people and made accessible to others; the allocation of frequencies therefore involves “policy.” On another plane, the decisions to license certain broadcasters gave listeners some types of service and not others: an illustration of the textbook point that a policy is a web of decisions and actions that allocate values.

Another technical aspect of broadcasting forced a conscious choice on Canadians, however much Canadian leaders would have liked to avoid the responsibility. In 1925 the director of the Radio Service for the Canadian government noted plaintively that “the aether disregards all boundaries,” and hence, with forty-four active stations in Canada and some six hundred in the United States, the problem of allocating wavelengths and dividing the broadcast hours among stations was becoming increasingly difficult.²¹ And what if Canadians chose to listen to American stations, and ignore their own? With radio becoming the most powerful mass medium in existence, could the young Canadian nation survive as a separate entity? This was the question that began to disturb the more far-seeing, and which was finally brought to the attention of the prime minister.

Beyond these first choices of who will be authorized to broadcast, and whether national interests shall be guarded, a people has to decide by some means how broadcasting will be paid for; the amount of the national product to be devoted to purchase or production of radio or television receivers or of broadcasting equipment; the amount of expenditure on artists and other program elements; and the size of the construction program for transmission and distribution facilities. Some but not all of these decisions in countries such as Canada may be made more or less imperceptibly by the mechanism of the market. In the United States, the population was large enough and rich enough for most of these costs to be hidden in the price of goods and services bought by the American public. This was not so in the Canada of the 1930s.

Related to this last question was an associated one. Should broadcasting be used primarily for entertainment, for education, or for some combination of the two? When a choice was made, who should be given the power to put the policy into effect on a day-to-day basis? And how would the policy be made acceptable to those affected by it, that is, how would the policy be “made legitimate”?

²¹ / Report of the Dept. of Marine and Fisheries, *Annual Departmental Reports, 1924–25*, vi, p. 137.

In the first dozen years, very few appreciated the full social effects of the new medium of communication, at least in Canada. John Reith, appointed general manager of the British Broadcasting Company in 1922, was one who did see something of its potential. Another was David Sarnoff, who had been an engineer for American Marconi, and who in 1922 became the general manager of RCA. In a letter to the honorary chairman of the board of General Electric, he wrote: "Broadcasting represents a job of entertaining, informing and educating the nation and should therefore be distinctly regarded as a public service. ... Important as the library is, it can only provide the written word and at that it is necessary for people to go to the library in order to avail themselves of its services, whereas in broadcasting the spoken word is projected into the home where all classes of people may remain and listen."²² To Sarnoff at first, broadcasting was definitely a public service; not for another two years did he accept the idea that broadcasting might be supported by advertising. But in the early twenties, Reith in Britain, Sarnoff in the United States, and Henry Thornton in Canada were in a minority. The common view was that radio, a technical marvel, was principally a plaything for adolescents and for adults indulging their adolescent tastes.

If men conceive of radio as a powerful means for human communication, they are likely to advocate a different policy for its development and control than if they regard it as a vehicle for the lightest and most casual entertainment, something that makes few lasting impressions. When broadcasting began in Canada, the political leaders did not realize the implications for public policy, or the kinds of decisions and political controversies that must follow. Their procedure, following the line of least resistance, was to make use of an existing radio act, and to undertake as little regulation or control as they could get away with.

22 / Quoted in Robinson, pp. 22, 24.

2 THE FIRST DECADE

1 *Making a 1913 Act Fit the 1920s*

When broadcasting got under way in 1920, Canada was reasonably well equipped to regulate it and supervise its development. There was a small branch of government with technically qualified men to look after all radio affairs; and they had a broadcasting act to administer which had at least some of the basic provisions, even though it had been intended for point-to-point communication.

Twenty years earlier, in 1900, wireless telegraphy had been placed under the Department of Public Works; it was transferred in 1909 to the Department of Marine and Fisheries. The first legislation was the Wireless Telegraph Act of 1905, which became part iv of the Telegraphs Act of 1906. It was replaced in 1913 by the Radiotelegraph Act,¹ which stated explicitly that the term "radiotelegraph" included "any wireless system for conveying electric signals or messages including radiotelephones."

In 1914, with war approaching, the regulation of radio activities was again transferred, this time to the Department of the Naval Service. During the war the Radiotelegraph Branch was very active, controlling about two hundred stations ashore and afloat.² After the war it continued to operate a number of radiotelegraph and radiotelephone stations, and also licensed and inspected privately owned stations on ship and shore. It was the Department of the Naval Service which authorized and licensed the first broadcasting station, operated by the Marconi Company in Montreal.

But the Radio Service was still not firmly anchored. In July 1922, it

1 / These three acts are respectively: 4-5 Edw. vii, c.49; RSC 1906, c.126; and 3-4 Geo. v., c.43.

2 / Report of the Deputy Minister of the Naval Service for the fiscal year ending March 31, 1919, LVI *Sessional Papers* of the House of Commons, vol. 10, no. 39, p. 11.

returned to the Department of Marine and Fisheries.³ Coincidentally it issued fresh regulations under the Radiotelegraph Act, providing for three new classes of licences: for private commercial broadcasting stations, amateur broadcasting stations, and private receiving stations (radio receivers).

The Radiotelegraph Act of 1913 had provided that no person could establish any radiotelegraph station or operate any radiotelegraph apparatus without a licence from the minister. It differed from the United States Wireless Regulation Act of 1912 in two important respects. The phrase "any radiotelegraph apparatus" meant that not only transmitters but receiving sets were licensed. And the Canadian act gave the minister discretion in granting a licence to any applicant. The United States secretary of commerce was compelled to grant a licence if the applicant had fulfilled certain requirements.⁴ Under Section 13 of the 1913 act the Canadian government could also take possession of a station at any time or order it to send certain messages. If the station were taken over, compensation would be agreed upon; or failing this, the matter was settled by reference to the Exchequer Court.

Under the regulations of 1922, only British subjects could receive transmitting licences. The new category of licence allowed private commercial broadcasting stations to broadcast news, information, and entertainment, but no tolls could be collected for such service. The minister could specify the hours of transmission. Private commercial broadcasting stations paid an annual licence fee of \$50.00; amateur broadcasting stations a fee of \$5.00 (raised to \$10.00 two years later); and receiving sets, a fee of \$1.00.

At first, the Department of Marine and Fisheries granted licences freely. It boasted that Canada was "the only country in the world in which the amateurs are allowed to operate broadcasting stations."⁵ Such licences were issued only to recognized radio clubs, not to individual applicants. The amateur stations were of very low power and normally reached about twenty-five miles. Licences for commercial stations were issued to firms, associations, or individuals. No attempt was made, as in Great Britain, to limit licences to manufacturers of radio equipment. Even with the limited number of channels, it was believed that licences could be issued freely because of the vastness of the country.

3 / By order in council, PC 1246, June 14, 1922.

4 / H. L. Jome, *Economics of the Radio Industry* (Chicago, 1925), pp. 240–1.

5 / Report of the Deputy Minister of Marine and Fisheries for the fiscal year ended March 31, 1923, *LX Sessional Papers*, vi, no. 28, p. 142.

The wavelengths reserved for commercial stations in 1922 were from 400 to 450 metres (670 to 750 kc), a band which the United States was not then using. Local stations in any area arranged their schedules so that only one station was on the air at a time. Amateur stations were assigned the wavelength of 250 metres (1199 kc).

In 1923 the British government appointed a committee – the Sykes Committee – to investigate broadcasting, and the Canadian government made a statement on its policy through the Radio Branch:

Practically no restrictions have been placed in the way of issue of licenses, and while it might at first sight seem uneconomical to allow more than one station in any one area, since only one or, at most, two can work at the same time, nevertheless this policy has the advantage that the friendly competition between stations in regard to quality of transmission and quality of programmes, has done much to develop the art, and has unquestionably functioned to the benefit of the broadcast listener.⁶

At the beginning, then, it was assumed that better results could be obtained from competition rather than restriction in services. The department noted that “broadcasting has not been the subject of investigation or discussion by any Canadian Committee.” It might have added, “or by Parliament.”

During the fiscal year 1922–3, 62 licences for commercial stations were issued, and 8 for amateur. But a number of those who received licences never established stations. Others took advantage of the call letters they were granted but rented the physical plant of another licensee, and operated what were called “phantom stations.” Not until 1925 were the licences used for “phantom stations” shown separately in the department’s annual reports, and thus the official statistics of these early years have to be treated with some reserve. An idea of what happened to the station licences that were issued can be gained by tracing the history of broadcasting in a particular community. By September of 1922, 55 licences had been issued for commercial stations, of which 23 were in Ontario, and 12 in Toronto.⁷ The 12 Toronto licensees included 3 daily newspapers and several companies manufacturing or selling electrical supplies (including the T. Eaton Company, Bell Telephone, Marconi, and Westinghouse). Only 2 stations that actually had their own transmitters operated for more than a few

6 / Public Archives of Canada (PAC), Dept. of Marine and Fisheries, Radio Branch, “Report on ‘Broadcasting in Canada’ for British Broadcasting Committee” (Ottawa, May 1923).

7 / *Toronto Daily Star*, Sept. 20, 1922.

TABLE I

NUMBER OF STATIONS LICENSED AND IN OPERATION EACH FISCAL YEAR

Fiscal year ending March 31	Licences issued, private commercial broadcasting stations	Licences issued, amateur broadcasting stations	Active stations with physical plant	Active phantom stations	Inactive stations	Receiving licences
1923	62	8				9,954
1924	46	22				31,609
1925	63	17	44	12	24	91,996
1926	55	16	43	10	18	134,486
1927	73	23	74	16	6	215,650
1928	84	15	74	19	6	268,420
1929	79	12	71	14	4	297,398
1930	81	10	69	19	3	424,146
1931	80	6	64	18	3 physical 3 phantom	523,100
1932	77	7	65	14	1 physical 4 phantom	598,358
1933	70	7	68	8	1 phantom	761,288
1934	68	6				707,625
1935	74	2				812,335
1936	78					862,109
1937	80					1,038,500
1938	88					1,104,207
1939	94					1 223 502
1940	96					1,345,157

Sources 1923-30, Annual Reports, Department of Marine and Fisheries
 1931-36, Annual Reports, Department of Marine
 1937-40, Annual Reports, Department of Transport

months. Indeed, until 1925, only CFCA, the station owned by the *Toronto Star* operated a daily or even a regular service.⁸

In 1923 fewer station licences were issued than in 1922 - 46 as compared with 62. The licences were granted mainly to newspapers and firms manufacturing or selling radio apparatus. In its report to the Sykes Committee, the Radio Branch of the Department of Marine commented that the novelty was wearing off, and licensees were finding burdensome the expense of running a station. The number of stations rose slightly in the next few years, but some of them remained inactive or broadcast only intermittently. The numbers of licences issued in each year up to 1940 are shown in Table I.

8 / Two other Toronto stations broadcast regularly by 1925: CKCL, the Dominion Battery station (opened May 5); and CKNC, the station of the Canadian National Carbon Company (Eveready batteries and radios). CKNC had been preceded by CHNC, the station of the Toronto Research Society, which had been set up in the home of the manager of the Carbon Company in May 1924. However, it had broadcast only about once a week.

2 Reception Difficulties and Poor Coverage

During the mid-twenties, the problem of interference became serious, for in 1923 the United States had allotted practically every channel to its own stations, including the frequencies that Canada had regarded as its own. By October 1924 the situation was relieved somewhat when the United States Department of Commerce agreed to regard six channels (out of ninety-five) as exclusive to Canada. In addition eleven channels were shared by the two countries.

In January 1925, there were 555 United States stations, of which 138 had a power of 500 watts or more. Half of these higher-power stations were in the states bordering the Great Lakes, and reached easily into the eastern provinces of Canada.⁹ The radio sets at this time were far from selective – stations commonly wandered from their frequencies and listeners were often frustrated in their attempts to hear an individual station.

Then the whole regulatory structure in the United States collapsed. In February 1926 a Chicago station operated by the Zenith Radio Corporation appropriated a wavelength that had been reserved for Canada. An attempt to prosecute it was defeated in the courts. For the next year the secretary of commerce gave up any attempt to regulate frequencies, until Congress finally passed the Radio Act of 1927.

Meanwhile Canadian stations suffered. "The broadcaster views the situation with despair," one station manager wrote.¹⁰ The Department of Marine and Fisheries had continued the policy of allotting only one wavelength to a city, and in 1925, with the increased crowding on the dial, it announced that it was "beginning to restrict the number of the licenses in the different areas." However, in the larger cities, such as Montreal and Toronto, it was prepared to allot a second wavelength to station owners who placed their transmitters at least ten miles from the city centre.¹¹ It was thought that these restrictions would promote an equitable distribution of frequencies between various parts of the country.

With the appointment of the Federal Radio Commission in the United States in 1927, the chaotic frequency situation was cleared up to some extent. But Canada still did not have enough frequencies to serve its

9 / See Jome, *Economics of the Radio Industry*, pp. 170–1, for the geographic distribution of United States stations.

10 / A. P. Howells, of Station CKCL, writing in the *Toronto Globe*, Jan. 10, 1927.

11 / Report of the Deputy Minister Marine and Fisheries, 1924–25, *Annual Departmental Reports*, vi, p. 138. The first stations to be granted a second wavelength in their areas were CNRV, Vancouver (1925) and CJYC, Toronto (1926).

vast area, and the government undertook to renegotiate the agreement with Washington. Canada asked for twelve exclusive wavelengths rather than six, and for fourteen shared channels instead of eleven.¹² The negotiations, although carried on over a period of years, met with no success. Canada argued for more frequencies on the basis of territory.¹³ The United States argued that Canada had a fair share, considering the disparity in the populations of the two countries; and furthermore, that Canada was not making the best use of the channels it had, with stations of such low power. This was quite true; but in 1928 no businessman in broadcasting believed that the scattered Canadian population could make larger stations profitable; and broadcasting in Canada was not yet regarded as anything more than a business.

From the beginning, Canadians listened to American stations more than to their own. As one magazine writer said: "Nine-tenths of the radio fans in this Dominion hear three or four times as many United States stations as Canadian. Few fans, no matter in what part of Canada they live, can regularly pick up more than three or four different Canadian stations; any fan with a good set can 'log' a score of American stations."¹⁴ The situation had not markedly improved by the end of the twenties. Not only were Canadian stations small, but their schedules were irregular, the hours of broadcast few, and the average program unexciting.

Toronto, as the largest city of the wealthiest Canadian province, might have been expected to provide some competition to American broadcasting. It did not. As we have seen, up to 1925 there was only one Toronto station with daily programs; but during these years the newspapers listed the programs of dozens of American stations. In September 1925 the Toronto *Telegram* ran a "Radio Popularity Ballot," in which readers could vote for their best-liked station. The stations appearing in the first seventeen places were all American stations. The poll was not in any way scientific; and the readers of the *Telegram* were unlikely to choose the station of the rival afternoon daily, the *Toronto Star*. Still, the preponderance of American stations in the poll is significant.

Even in 1926, with three Toronto stations regularly on the air as well

12 / The minister of marine and fisheries, P. J. A. Cardin, House of Commons *Debates*, April 9, 1927, p. 2183: hereafter cited as *Debates*.

13 / According to a press report, the secretary of state was inclined to look favourably on the Canadian request, but the newly created Federal Radio Commission was apprehensive about further upsetting the structure of the American system. See *Toronto Daily Star*, March 12, 1928. The FRC was even then preparing to cancel some 162 station licences (*Evening Telegram*, May 28, 1928). More than sixty US stations actually disappeared within a year.

14 / Elton Johnson, "Canada's Radio Consciousness," *Maclean's*, Oct. 15, 1924.

as a couple of "phantom" stations, all had to share the single wavelength. Under these circumstances, it was difficult for listeners to build up station loyalty. The stations taken together were on the air for a total of only eight hours each day.

By 1928, forty United States stations were licensed at a power of from 5000 to 25,000 watts. In contrast, only two Canadian stations at the end of 1928 had a power of 5000 watts (one in Ontario, one in Manitoba). Five stations had a power of 1000 to 1800 watts; most of the others had a power of 50, 100, or 500 watts.¹⁵

French Canada was particularly ill served. The only station of moderate power broadcasting mainly in French was the Montreal station of *La Presse*, CKAC. There were three tiny stations in Quebec City, none larger than 50 watts, and all, of course, shared the same frequency. The only other station in Quebec was a municipally owned station of 50 watts in St. Hyacinthe. The difference in the number of radio licences in Ontario and Quebec reflects the disparity in the program service available to the two language groups: in 1929, the number of radio-receiving licences in Ontario was 145,735, or 49 per cent of the total for Canada (297,398); Quebec, on the other hand, had only 49,751 licences, or 17 per cent of the Canadian total.¹⁶

The coverage of the Maritimes was not much better. In Nova Scotia there was for some years a single station, CHNS, Halifax. In 1928 it was joined by a 50-watt station in Sydney. New Brunswick had three stations, two of them of 50 watts, and Prince Edward Island had two small stations. At the other end of the country, British Columbia had only two stations outside Vancouver and Victoria: a 5-watt station in Chilliwack, and a 15-watt station in Kamloops.

In 1929, of the total power of all transmitters operating in Canada, approximately half was concentrated in Montreal and Toronto. From this it is clear that if the larger cities were poorly served, many rural districts were not served at all. Yet in 1929 nearly half of the population still lived in rural areas, and it was estimated that they owned about 40 per cent of the radio receivers. The order in council setting up the Aird Commission in 1928 pointed out that although there were 68 licensed broadcasting stations in Canada, 32 of these provided only intermittent service, or were of such low power that they must be considered local in character. The permanent service was given by the remaining 36 stations, all of comparatively low power.

15 / Dept. of Marine and Fisheries, *Official List, Radio Stations of Canada*, Jan. 1929.

16 / 1930 *Canada Year Book*, p. 692.

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In the United States, broadcasting was becoming a big business, and Canadian listeners were responding to it. It was not yet clear whether or how Canada would meet the challenge.

3 *The CNR Experiment: The Beginning of a Network*

A broadcasting station can enlarge its potential circulation by two methods: by increasing its power or by being linked with others in a network. Since the Canadian stations of the 1920s were so low-powered, anyone wishing to reach more than a local audience was forced to consider the possibilities of a network. And for nation-wide distribution, a network was obviously essential.

In the United States, WEAJ was the pioneer of network and also commercial broadcasting. Since at first only the Bell system owned wires suitable for voice transmission, its station had a head start in arranging station links. The first broadcast connecting two stations was in January 1923, when WEAJ and a Boston station joined together. The first true network began operation later that year, linking WEAJ in New York, WCAP in Washington, and WJAR in Providence. In October 1924, stations in Boston, Buffalo, and Pittsburgh were joined to these for regular service, and they became known as the "Red Network." A few days later, a nation-wide hook-up of twenty stations was arranged to broadcast an address by President Coolidge. For the first time, cities on the west coast were linked to those in the east.¹⁷

In Canada, the first linking-up of two stations, as well as the organization of the first network service, was carried out by the Canadian National Railways, under the dynamic leadership of Sir Henry Thornton. In June 1923, the railway company decided to establish a radio department in its Montreal headquarters; it equipped some parlour cars with radio-receiving sets and put an operator in attendance. A few months later, the Minister of Railways and Canals explained the railway's intentions to the House of Commons:

... to provide a ready means of communication between the executive officers of the railway and the public, to advertise Canada and the Canadian National railways, to furnish entertainment to passengers on long distance trains and guests at the company's hotels, and generally to make the service of the railway more attractive to the ... public. ... As an advertising medium radio telephony is unsurpassed, and the administration believes that in the establishment of a

17 / W. P. Banning, *Commercial Broadcasting Pioneer: The WEAJ Experiment: 1922-1926* (Cambridge, Mass., 1946), pp. xxx, xxxi.

radio department it has taken a unique and constructive step in railway operation.¹⁸

On December 30, 1923, the CNR arranged to broadcast a musical program and messages from its president and other officials over a Montreal station and an Ottawa station linked together by telephone wires. The January 1924 issue of the CNR staff magazine carried an account of the event: "The Canadian National Railways made radio history. ... It was ... the first occasion, in the history of Canada at least, that a simultaneous broadcast of one program was made from two stations more than one hundred miles apart."

During the broadcast, far-reaching plans for radio development were announced:

The building of a chain of radio broadcasting stations from coast to coast; the equipping of all transcontinental trains of the Canadian National Railways to receive radio messages; the placing in all hotels of the Canadian National Railways the finest of receiving sets; the development of plans for putting within the reach and means of every employee of the system radio apparatus: these are a few of the details of the wonderful plans for the development of radio in connection with the National system ... under the direct supervision of Vice President W. D. Robb.

The tremendous scope of Mr. Robb's plans is plainly evident when it is understood that they call for the broadcasting of programmes of entertainment, news and messages not merely to one or more sections of the country, but across the entire continent.¹⁹

Mr. Robb told his audience that the CNR already had under construction a powerful broadcasting station in Ottawa, which would be linked with one of the Montreal stations to broadcast programs simultaneously. The Ottawa station, CNRO, was opened in February 1924. Soon afterwards, the CNR made plans to broadcast programs over existing stations; and got permission to use its own call letters under a "phantom station" arrangement (CNRM, Montreal, CNRT, Toronto, CNRW, Winnipeg, and others in Saskatoon, Regina, Edmonton, and Calgary).²⁰ In addition to the station in Ottawa, the CN built two stations of its own: CNRA in Moncton (November 1924) and CNRV in Vancouver (August 1925).

In public statements, CNR officials made it clear that their purpose was in part to further national policy – to attract tourists and settlers to Canada, and to help in "keeping content those who have to live in sparsely settled districts in the north and west."²¹ Sir Henry Thornton

18 / *Debates*, May 28, 1924, p. 2625.

19 / *Canadian National Railways Magazine*, Jan. 1924, p. 7.

20 / *Ibid.*, Aug. 1924, p. 27.

21 / *Ibid.*, Jan. 1925, p. 60.

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sometimes spoke as if his radio project had been undertaken primarily to advertise the railway system, but at other times he emphasized that he regarded broadcasting as a means of developing national unity, enriching the social and economic life of the nation. Thornton's biographer has commented:

As a direct result of Sir Henry's ability to see the possibilities inherent in a new medium of expression, the railway did for Canada what she was too apathetic to do for herself. ... He saw radio as a great unifying force in Canada; to him the political conception transcended the commercial, and he set out consciously to create a sense of nationhood through the medium of the Canadian National Railway service.²²

The CNR radio department played a key role in the first broadcasts heard across Canada, three special programs on July 1, 1927, to mark Canada's Diamond Jubilee of Confederation. The broadcasts were planned by a committee appointed by the government, with CNRO as the originating station. United States lines were used to provide alternative circuits south of the Great Lakes; the CN Telegraphs had not finished the installation of "carrier current," which would allow network broadcasting on a regular basis. Networks in the central region of Canada began to be organized for the CNR and other sponsors, but the next coast-to-coast broadcast was one the CNR arranged on December 27, 1928.²³ The CNR network was extended across Canada on a regular basis in December 1929 with programs broadcast nationally three hours a week. In 1930, other sponsors began to arrange nation-wide broadcasts, for example, the William Neilson Company, Imperial Oil, and (when its own installations were ready) the Canadian Pacific Railway Company.

The CNR radio stations and networks had the most venturesome programs on the Canadian air. They tried presenting complete comic operas; Beethoven centenary programs; school broadcasts; and many special events. They had an exclusive contract with the Hart House Quartet, the best-known instrumental group in the country. In 1929 a contract was signed with the Toronto Symphony Orchestra for a series of twenty-five Sunday afternoon symphony broadcasts carried nationally. A similar series was arranged for the winter of 1930-1. (The New York Philharmonic broadcasts on the Columbia Broadcasting System did not start until October 1930, a year later than the Canadian broadcasts.) Programs for French-speaking listeners had been arranged for some

22 / D'Arcy Marsh, *The Tragedy of Henry Thornton* (Toronto, 1935), pp. 115-6.

23 / E. A. Weir, *The Struggle for National Broadcasting in Canada* (Toronto, 1965), p. 40.

years over the Montreal station but, after the development of networks, some of the programs were heard also on the stations in Ottawa, Quebec, and Moncton.

Probably the most original undertaking was the planning and production of a series of dramatic presentations based on Canadian history, and broadcast in the spring of 1931 under the title "The Romance of Canada." The director of the CNR radio department, E. A. Weir, commissioned a writer (Merrill Denison) to study techniques of writing radio plays, and to prepare scripts; and a young Irish producer, Tyrone Guthrie, was brought over from the BBC. Two years later Mr. Weir, speaking to an American audience, recalled that "we ran in Montreal for six months what was really a training school for radio drama," adding: "Such an impression was made with these plays and allied efforts by the Canadian National Railways that they were definitely instrumental in helping to establish nationalization of radio in Canada, it being held by many that they proved Canadian broadcasting could even compete with New York."²⁴

Considering that public money was being used to provide all these radio services, there was surprisingly little criticism of the Canadian National for its radio undertaking. The operating costs for CN radio were as follows²⁵:

1923	\$ 10,146	1928	\$ 317,279
1924	122,466	1929	441,082
1925	240,686	1930	420,028
1926	253,063	1931	326,248
1927	285,604	1932	80,384

In the year of greatest expenditure, 1929, \$55,000 had been spent in renting time for CNR programs on stations owned by others.²⁶ The amount spent on talent in that year was \$117,000. The total capital expenditure, from 1923 to 1931, was \$170,000.²⁷ About \$135,000 had been spent in building stations, and about \$35,000 in equipping trains for radio reception.

There was abundant opportunity for members of the House of Commons to voice their criticisms – in general debates or in the meetings of

24 / E. A. Weir, "The Prime Purpose of Radio," *University of Toronto Monthly*, May 1933, p. 256; an address before the Ohio State Institute for Education by Radio.

25 / *Debates*, April 24, 1933, p. 4248.

26 / House of Commons, Select Standing Committee on Railways and Shipping, *Proceedings*, 1932, p. 277.

27 / *Ibid.* 1931, p. 132.

the Standing Committee on Railways and Shipping. The only comment made during the committee meetings in the 1920s was that of a member of the committee, Mr. Mackinnon, in 1925: "We all approve of the radio, and I think we should carry that item."²⁸ In the Commons debates, two members from New Brunswick complained in 1925 about the money spent on the Moncton station: Mr. Doucet had heard that the Canadian National was spending \$125,000, Mr. Hanson came up with a figure of \$80,000. In fact, the station cost \$25,000.²⁹

Several things might account for the lack of attention to this early public venture into broadcasting. The amounts spent were small in comparison with the railway's total operating expenses (\$215 million in 1929) and, as long as conditions remained prosperous, Canadians admired the bravura in Sir Henry Thornton's leadership. There was also a feeling that the Canadian National Railways was not the same as "the government"; it had an independent management and its headquarters were not in Ottawa. Furthermore, the CNR radio's method of operating did not threaten the private broadcaster; in fact, station-owners welcomed the opportunity of renting time on their stations to the CNR. And finally, many listeners welcomed Canadian programming which at least in some respects could compete with the American product.

After the election of the Conservative government in 1930, and with the deepening of the economic depression, the atmosphere for CNR operations became very much less favourable. The 1931 and 1932 Railway Committees were set on probing and exposing Canadian National extravagance; some members were intent on forcing the resignation of Sir Henry Thornton. Questions were asked about the radio operation, but on the whole it was not criticized strongly.

There was praise for the programs, and one Conservative member, noting that the capital invested was less than \$175,000, said: "I am surprised it is so small."³⁰ It was pointed out that the average cost per broadcast per station was \$57.00, with the average cost of talent per broadcast per station \$25.00.

By 1932, the country was deciding upon another system of broadcasting altogether, and the Railway Committee in that year paid little attention to radio. The final report was very critical of the railway, and it led to Sir Henry Thornton's resignation. But it had not mentioned radio.

²⁸ / *Ibid.* 1925, p. 130.

²⁹ / *Debates*, Feb. 13, 1925, p. 184; April 20, 1925, p. 2215; April 24, 1933, p. 4248.

³⁰ / Select Standing Committee on Railways and Shipping, *Proceedings*, 1931, p. 248.

D'Arcy Marsh's appraisal of the CNR experiment, already quoted, seems justified: "As a direct result of Sir Henry's ability to see the possibilities inherent in a new medium of expression, the railway did for Canada what she was too apathetic to do for herself."

4 *The Development of the Commercial System*

Canadian stations were not established in the expectation that they would pay for themselves. Most of the first radio stations were owned either by firms selling radio apparatus or by newspapers. In 1929, eleven stations were owned by newspapers, in Vancouver, Calgary (two), Edmonton, Regina, London, Hamilton, Toronto, Montreal, Quebec, and Halifax. The objective of the radio manufacturers and suppliers is obvious, but why did newspapers enter the field? It is likely that publishers became broadcasters to help promote their newspapers; and possibly also to prevent others from competing for advertising revenue. But it seems on the whole that newspapers were slow to recognize the competition of the new medium. For example, in 1928 and 1929, the newspaper columns listing radio programs often gave details of the sponsor and even the brand names of the products. Probably newspaper ownership slowed down the full commercialization of radio; and certainly newspapers without stations did not favour the idea that broadcasting should be supported exclusively by advertising.

If stations were not profitable, who was to make up the loss? In 1923, Canada's Department of Marine was concerned about the rate at which stations were being shut down. At that time there was some thought of raising the licence fee and remitting part of it to broadcasting stations; but the government finally decided it should not do so as long as private companies were prepared to operate companies at their own expense.³¹

A bill was passed in 1923 to allow the government to remit to broadcasting stations a portion of the licence fee. It was made necessary by a critical situation in Manitoba.³² The only two stations in that province, owned by Winnipeg newspapers, had closed down. The Manitoba government agreed to operate a station of its own if it could receive some direct remuneration from Ottawa. The bill allowed the federal government to split the licence fees collected in the province with the Manitoba government. The minister of marine and fisheries, Ernest

31 / "Report on 'Broadcasting in Canada' for the British Broadcasting Committee."

32 / *Debates*, April 27, 1923, pp. 2285-6.

Lapointe, said that in his opinion "the same proportion of the fee should go for the same services rendered anywhere in Canada." But this arrangement was never extended to any other station or province.

The fact is that in Canada the licence fee was never popular, and was commonly evaded.³³ In the United States there was no licence fee at all, and with this example next door, the mood in Canada was that air should be "free" and that programs should cost the listener nothing. But if there was to be no public subsidy, then what about revenue from advertising? In 1923 the Radio Branch tried to grapple with the problem:

The question of advertising as a source of revenue for broadcasting has been the subject of much discussion; it divides itself into two general classes, "Direct" and "Indirect". An example of direct advertising would be an automobile salesman renting a station for ten minutes to extol the virtues of his particular make of car. An example of indirect advertising would be a departmental store renting a station for an evening, putting on a first class programme, and announcing its name and the fact that it was contributing the programme, before and after each selection. It has finally been decided to allow stations to undertake advertising as an experiment, and by the end of the next fiscal year the department should be in a position to know whether advertising can be handled in such a way as to make it popular with the broadcast listener.³⁴

In 1925 the department came back to the advertising question. For the past two years, its report said, licences had permitted the stations to transmit indirect advertising matter without restriction, and direct advertising anytime before six pm. A number of stations had taken advantage of the indirect advertising provision, but the department, surprisingly, found that there was not much direct advertising.³⁵ The next year the licence provisions were changed; direct advertising was completely forbidden, except with the written consent of the minister.³⁶

The department misjudged the trend. Following the American example, stations began to solicit advertising aggressively. Certain agencies specialized in broadcasting accounts; others established radio departments.³⁷ Station CKCL, Toronto, established in 1925, claimed to be "the first station in Canada to commercialize," by which it meant, presumably, that it was the first station to pay its way through advertising revenue.³⁸

33 / "Report on 'Broadcasting in Canada' for the British Broadcasting Committee."

34 / Report of the Deputy Minister of Marine and Fisheries for 1923, *LX Sessional Papers*, vi, no. 28, p. 141.

35 / *Ibid.*, 1924-5 *Annual Departmental Reports*, vi, p. 138.

36 / *Ibid.*, 1925-6 *Annual Departmental Reports*, iii, p. 149.

37 / In 1927 Mr. E. L. Bushnell (later a vice-president of the CBC) became a partner in one of the first agencies specializing in sale of radio time and in production. *The Canadian Radio Yearbook*, 1947-8 (Toronto, 1947), p. 241.

38 / 1934 Special Committee on the Operations of the Commission under the

Among its sponsors were the Robert Simpson department store, the Consumers' Gas Company, and several firms selling radios, records, and sheet music. In 1927 the newspaper listings for all Toronto stations identified program sponsors, although it is difficult to tell how much direct "selling" was done. In 1929 the Aird Commission heard many complaints about advertising practices. A man in Toronto, for example, "voiced strong objection to the present practice of selling time in five minute intervals for advertising purposes."³⁹ Either the Department of Marine and Fisheries had relaxed its prohibition, or it was being ignored throughout the country.⁴⁰ Canadian broadcasting, on a much smaller scale, was following an American pattern.

5 Those Stations "Abusing Our Churches"

The 1913 Radiotelegraph Act had given the federal government licensing power but not the power to control program content. The act was intended, after all, to regulate point-to-point transmission (radio telegraphy or telephony), not broadcasting, and left stations with full discretion in what was broadcast. The department's control was limited to granting and renewing licences or not.

In Britain, the BBC maintained a careful control of program content. We are told that both government and the public displayed a fear of controversy's being aired.⁴¹ Even after the BBC had won very considerable autonomy in 1927, the postmaster general retained a formal veto power on what could be broadcast. In the United States, on the other hand, the Federal Radio Commission had no power of censorship. The control of program content was the responsibility of the stations, subject only to the provision that candidates for public office were to be allowed equal time and their broadcasts were not to be censored.

It was not political broadcasting but religion that enmeshed the Canadian government in its first controversy over program content and

Canadian Radio Broadcasting Act, 1932 (as amended), *Minutes and Proceedings*, p. 374; evidence of H. S. Gooderham, April 30, 1934.

39 / *Toronto Daily Star*, May 18, 1929.

40 / The records of the Radio Service, Dept. of Marine and Fisheries, show that in 1928-9 the following general rule was still in existence: "Direct Advertising is not allowed except with the express permission of the Department in writing; such permission will only be granted in special cases." The director of the Radio Service admitted to the Radio Committee in 1932 that "Direct advertising has finally come down to this after eight years, 'Thou shalt not mention prices or money'" (1932 *Proceedings*, p. 509).

41 / Asa Briggs, *The Birth of Broadcasting* (London, 1961), p. 270.

Canadian broadcasting policy.⁴² At the beginning of 1928, several stations were operated by churches and religious groups. In Vancouver, the United Church of Canada, the Presbyterian Church, and the International Bible Students Association (an organization of Jehovah's Witnesses) all had radio stations. The International Bible Students had stations also in Edmonton and Saskatoon. Another Edmonton station belonged to the Christian and Missionary Alliance. In Toronto, the situation was more complex. One of the stations, CJYC, operating as an ordinary commercial station, was owned by Universal Radio of Canada. Sharing its facilities was phantom station CKCX, licensed to the International Bible Students. Two other religious organizations had phantom stations as well, St. Michael's Cathedral (Roman Catholic), and the Jarvis Street Baptist Church. As a rule, phantom stations broadcast about once a week, but CKCX was on the air about eight times as often. Many people guessed (rightly) that Universal Radio of Canada was really owned by the International Bible Students Association.

On March 15 the *Toronto Star* printed a rumour that the wavelengths in the Toronto area would be reshuffled. Each local station was mentioned except CJYC (and CKCX), leaving the inference that at the beginning of April CJYC would lose its licence. The reallocation meant that the *Star* station (CFCA) would no longer share a wavelength with two others, CKNC and CKCL. On March 17 the *Telegram* carried a similar report but added its own emphasis: "Local Radio Wavelengths Readjusted; CFCA Grabs Exclusive Wavelength." Throughout the controversy that developed in Parliament, the *Telegram* could not see any issue but the favouritism being shown the *Star* by the Liberal government. The *Star's* station, it wrote, "claims the right to an exclusive wavelength on the ground that it is a 'pioneer.' Its attitude is the same as that of a hurdy-gurdy ordering a street piano off the block."⁴³

The *Telegram* had a point. The 500-watt station operated by the *Star* was less powerful than other Toronto stations, and its equipment was more antiquated. The newest station, CKGW, owned by a distillery,⁴⁴ was powered at 5000 watts. When challenged in the House of Commons on

42 / It is a curious fact that the "Brief History of Broadcasting in Canada" appearing in the report of the 1957 Royal Commission on Broadcasting (pp. 297-317) makes no mention of the political issue which precipitated the appointment of the Aird Commission.

43 / *Evening Telegram*, March 20, 1928.

44 / CKGW was billed as "Canada's Cheerio Station." One member of the Aird Commission said later that the station had been established to advertise the company's product in the thirsty United States, then under prohibition; C. A. Bowman in a recorded interview with Alan Thomas, Feb. 1960; CBC Program Archives, Toronto.

the method of reallocation, the minister of marine, Mr. Cardin, said: "It is just possible that the station of the Gooderham and Worts company [CXGW] will not be the best station three months from now. ... In my opinion it is more proper to grant a broadcasting licence to a newspaper than to a distillery or any other company, and if I had to choose between the two I would say that it was better to give the single wave to the Star."⁴⁵

But the question of political favouritism in Toronto was a side issue. The principal controversy was over the government's decision to shut down the four stations across Canada operated by the Bible Students. Cardin said the government had received increasing complaints that these stations broadcast programs "under the name of Bible talks" that were "unpatriotic and abusive of all our churches." Petitions and other complaints had been received from Toronto, Saskatoon, Edmonton, and Vancouver.⁴⁶

The Bible Students immediately prepared to do battle, and two lawyers were sent to Ottawa to represent their interests. One of them told the *Ottawa Citizen* that the association's general manager was touring Canada to collect a million signatures on a petition addressed to Prime Minister Mackenzie King.⁴⁷ The Toronto *Telegram* urged its readers to write letters to the Minister of Marine "protesting the proposed changes of wavelengths for Toronto stations."⁴⁸ It reported that the Radio Branch was being deluged with letters and deputations. The manager of Universal Radio of Canada argued that the department had never complained about the quality of his station's programs, that their licence should not be cancelled because of alleged indiscretions of the International Bible Students Association, and that their business was being "ruthlessly destroyed while others profit through our misfortune."⁴⁹

On March 31 the licences were revoked. Rather surprisingly, the controversy led in the House to a questioning of the entire Canadian broadcasting pattern. Cardin argued that Canada had a very limited number of channels, and that many listeners had receivers that could not tune out programs they didn't want to hear. Because of generally unsatisfactory conditions, the government was considering whether it should adopt "a policy of national broadcasting along the lines adopted ... by the British government."⁵⁰

45 / *Debates*, June 1, 1928, pp. 3661-2.

46 / *Ibid.*, April 12, 1928, pp. 1951-2.

47 / *Toronto Daily Star*, March 21, 1928.

48 / *Evening Telegram*, March 19, 20, 29, and 31, 1928.

49 / *Ibid.*, April 4, 1928.

50 / *Debates*, April 12, 1928, p. 1952.

Subsequently a full debate took place in the committee of supply, May 31 and June 1. Conservative speakers complained about the arbitrary nature of the government's action in the Bible Students' case, the amount of authority given the minister under the act, and the absence of any announced over-all broadcast policy.⁵¹ On the second day, however, the acting leader of the opposition, Mr. Manion, was inclined to agree with the minister's action in this case.⁵²

The most interesting contributions came from the Labour member for Winnipeg North, Mr. Woodsworth, and from the minister himself. Like the Conservatives, Woodsworth protested the government's arbitrary action, although he put less emphasis on the stations' property rights. If, as had been complained, the Bible Students had "hogged the air," the department could have limited their air time; the licences need not have been cancelled. He was particularly concerned about the exercise of censorship, about freedom of speech on the air.

When did we appoint a minister of this government as censor of religious opinions?

It is stated that the Bible Students condemn other religious bodies. ... If the Bible Students are to be put out of business because they condemn alike Catholics and Protestants, I do not see why the [Orange] Sentinel and the Catholic Register should not be suppressed. ...

Our forefathers won to a considerable extent freedom of speech, freedom of the press, freedom of assembly; surely it is strange that a Liberal government should seek to deny people freedom of the air.

He went on to advocate that the government itself should own and operate broadcasting stations, as in Great Britain.

I know there are dangers associated with the control of radio by the government. I know there would be great danger with radio in the hands of the Baldwin government, and I imagine there would be dangers with radio in the hands even of a Canadian Liberal government. ... There are always admittedly dangers in any one group controlling such an agency, but there are even greater dangers in allowing things to drift along as they are at the present time in Canada.⁵³

Looking beyond the Bible Students' issue, Woodsworth raised a wider question: the control of Canadian broadcasting by American commercial interests.

It is only a comparatively short time before these small broadcasting stations will be bought up by big American companies. I may be afraid of handing power to any one government, but I would rather trust our own Canadian

51 / For example, Mr. Stevens, p. 3618; Mr. Guthrie, pp. 3622-4, *ibid.*, May 31, 1928.

52 / *Ibid.*, June 1, 1928, p. 3658.

53 / *Ibid.*, May 31, 1928, pp. 3618-22.

government with the control of broadcasting than trust these highly organized private commercial companies in the United States. ... The government is already in possession of the main facts and ... the government itself should take the responsibility and decide upon a comprehensive national policy ... leading to public ownership and control of this new industry.

In this, Woodsworth was supported by other members of the Progressive group.

Cardin, attempting answers to all his critics, argued that there were too many stations both in the United States and in Canada; and that it was proper for the Canadian government to reduce the number in Canada by refusing to renew licences. He acknowledged that nine thousand letters protesting the cancellation of the Bible Students' licences had been received by the department, as well as a petition bearing 458,026 names. He insisted that personally he did not want the responsibility for controlling broadcasting ("the sooner I can get rid of this and have it taken out of the department, the better it will be for me").

Nor was he unconcerned about censorship:

The air is as free as it was before. But the use of the air has never been free, and so far as radio is concerned, the use of the air cannot be free, because if it were open to anyone to use, the few channels of communication that we have in the radio service, the result would be chaos. ... Honourable gentlemen ... have spoken of freedom of the air, but freedom only for the broadcasting people. I am for the freedom of the air in the interests of the listeners-in, first of all, and I think that no broadcasting station has any right ... to impose upon me or anybody else his convictions or opinions and to force me to listen to them the whole day or the whole night. ...

Certain people have said: Well, we have freedom of the press, we have freedom of writing, and so on. But the same principle cannot be applied to radio broadcasting. ... In view of the fact that radio receiving sets are not yet so perfected as to enable you to eliminate any station whose broadcasting you do not wish to listen to, you are forced to listen or not use your receiving set at all.

It was then that Cardin made his important announcement:

We have made up our minds that a change must be made in the broadcasting situation in Canada. We have reached a point where it is impossible for a member of the government or for the government itself to exercise the discretionary power which is given by the law ... for the very reason that the moment the minister in charge exercises his discretion, the matter becomes a political football and a political issue all over Canada. ... We should change that situation and take radio broadcasting away from the influences of all sorts which are brought to bear by all shades of political parties.

Cardin claimed that the government did not yet have all the facts needed to decide on a new system, although he added:

34 *The Politics of Canadian Broadcasting*

We are inclined to follow that plan which has been established and which is operating at present in England; our idea would be to establish a company, the shares of which would be the property of the Canadian government, and to appoint special men who are called governors in England, to look after the issuing of licences and the regulation of everything else in regard to this important business.⁵⁴

Canadian broadcasting had become – at last – a matter of public controversy, calling for a national policy.

6 *The Search for a New Policy*

It is sometimes said that the usual Canadian way of manoeuvring around a difficult political situation is to appoint a royal commission. That was indeed what Cardin proposed. On June 2, 1928, with little further debate, the House approved a vote of \$25,000 to provide for the expenses of a commission “to inquire into the radio broadcasting situation throughout Canada, and to advise as to the future administration, management, control and finance thereof.”

Cardin explained, “We want to inquire in England, the United States, and Canada as to the best means for Canada to adopt in dealing with radio broadcasting. We want to have this information before coming to parliament with a bill nationalizing the system, or some such method. We want to get the benefit of the experience of others before doing this.” For the Conservative opposition, Sir George Perley said he agreed with the proposal for a commission. He insisted only that it should be a non-partisan commission, not appointed for “purely political reasons.”⁵⁵

The decision to set up a royal commission was no doubt prompted partly by Mr. Cardin’s discomfiture at the attacks the Bible Students were making by radio on the Catholic Church.⁵⁶ But the reasons go beyond this. It is clear that the minister and his department were dissatisfied with results of the *ad hoc*, laissez-faire policy that had been pursued for more than six years. They were bothered by the problems of radio interference and, failing some better agreement with the United States, they thought a reduction in the number of Canadian stations was necessary. The minister shrank from taking responsibility for such a reduction himself. He saw that both Great Britain and the United States had recently introduced new legislation to govern broadcasting, and he

54 / *Ibid.*, June 1, 1928, pp. 3659–62.

55 / *Ibid.*, June 2, 1928, p. 3708.

56 / Thomas interview with Bowman.

hoped that something learned from their experience would make Canadian regulation easier. In spite of his references to the British system as a possible model, Cardin may not have appreciated fully the implications of such a system for Canada. He may have thought that the public corporation in Britain eliminated nearly all ministerial responsibility; for example, he spoke of the BBC governors looking after the issuing of licences, which they did not do. Perhaps he had in mind some mixed system for Canada; more probably, he was looking for a way to shift troublesome responsibility somewhere else.

In the debate, little was said about the inadequacy of Canadian station coverage, and the tendency for most Canadians to listen to American rather than Canadian stations. We can assume, however, that this situation was known to the departmental officials and to the minister. The increasing reliance by stations upon advertising did not figure prominently in the debate, although it was mentioned by UFA and Progressive members. Only Woodsworth voiced concern about the possibility of American business control of Canadian broadcasting. No one talked about the disadvantages to Canadian manufacturers of a predominance of American programs and advertising. It was a little early for this fear to be articulated.

It is difficult to tell whether the government as a whole shared Cardin's view that a change in the system must be made.⁵⁷ An interjection by Mr. Dunning, the minister of railways, suggests that he was not enthusiastic about the British system.⁵⁸ It is possible that the government, especially the prime minister, was stimulated to act by a campaign launched in the *Ottawa Citizen* by its editor, Charles Bowman. Bowman was a friend of Mackenzie King, and had been invited to be his public relations adviser during the Imperial Conference held in London in October and November 1926. While in London, Bowman visited the BBC, where he was shown around by another Canadian, Major Gladstone Murray, the director of publicity and public relations for the BBC. Bowman arranged for Mr. King to make a broadcast; King agreed on condition that Bowman write his talk. When they appeared at the BBC, they were introduced to John Reith, the general manager.⁵⁹ The two men were greatly impressed with the wide range of BBC programs and the vision shown by Reith and his associates. In his radio speech, King made some comparisons between British and Canadian broadcasting, and

57 / Bowman believed that Cardin persuaded the cabinet of the need for an investigation, but that Mackenzie King did not really need persuading (*ibid.*).

58 / *Debates*, May 31, 1928, p. 3621.

59 / Two months later he became Sir John Reith, when the BBC received its first charter, and in 1940, after he had left the corporation, Lord Reith.

added, "It does seem to me that the British method of regulating the use of radio for the public entertainment has much to commend it."⁶⁰

On his return to Canada, Bowman became convinced that Canadian radio was developing improperly and that the country would have to adopt a different system to get an adequate national service. He wrote a series of articles in the *Ottawa Citizen*, and enlisted the support of several prominent men, including Charles A. Magrath, chairman of the Ontario Hydro-Electric System; the premier of Ontario, Howard Ferguson; and Harry and Fred Southam of the Southam Publishing Company.⁶¹ He argued that:

It is only incidental to the main question that the department's restrictive authority is being applied to the broadcasting stations of the International Bible Students. Action on the part of the Canadian Pacific Railway to establish radio stations in competition with the Canadian National Railway publicity might have as effectually raised the issue. ...

It might as well be recognized that radio broadcasting is just in its infancy. The problem to be decided is whether private vested interests are to be allowed to become established in a new public service, which by its very nature can only be satisfactorily operated for the public benefit under public control.

The dominion parliament is going to be confronted with the problem of deciding whether Canadian radio broadcasting is to be left in private hands as it is in the United States, or to be operated as it is in Great Britain under the direction of a national broadcasting commission. With the experience of the United States, where chaotic conditions in radio broadcasting were allowed to develop for lack of public control, it would seem the height of folly on the part of Canada to allow this great new public service to drift into similar conditions.⁶²

Mr. Bowman was the only member of the new Royal Commission whose views on broadcasting were publicly known at the time of his appointment.

60 / PAC., King Papers, radio speech, Nov. 19, 1926; Thomas interview with Bowman.

61 / Letter from Fred Southam to Harry Southam, May 11, 1928. Quoted in J. E. O'Brien, "A History of the Canadian Radio League, 1930-1936" (unpubl. dissertation, University of Southern California, 1964).

62 / Editorial of the *Ottawa Citizen*, quoted in the *Toronto Daily Star*, March 21, 1928. Similar editorials appeared in the *Citizen* on April 3, 10, 16, and May 30, 1928.

3 THE AIRD COMMISSION

1 *The Investigation*

Parliament prorogued soon after approving the broadcasting investigation, and the King government delayed further action for several months. Finally, on December 6, 1928, a royal commission on radio broadcasting was appointed under the chairmanship of Sir John Aird, president of the Canadian Bank of Commerce, Toronto. Sir John was seventy-three years old; men who knew and worked with him say that he had considerable charm and a good sense of humour. In politics he was a Conservative,¹ and he was predisposed to favour the private-enterprise system in broadcasting.² One Toronto station owner told the press, "The personnel of the Commission, especially Sir John Aird as chairman, ensures a fair and impartial survey of the situation with results, I hope, that will be good for the listening public."³

The other two members of the commission were a generation younger: Charles Bowman, editor of the *Ottawa Citizen*, and Dr. Augustin Frigon, an electrical engineer, director of l'Ecole Polytechnique in Montreal, and director-general of technical education for the province of Quebec. For some years Frigon had been chairman of the Electrical Commission of the City of Montreal, and previously he had been a consulting engineer for the Quebec Public Service Commission. Perhaps as a result of his experience with such public bodies in Quebec, Frigon tended to mistrust any form of public ownership; this, at any rate, was Bowman's impression.

Bowman was the only member of the commission who had any close connection with the federal government. As we have mentioned, he was with Prime Minister King during the Imperial Conference of 1926; and

1 / Party affiliation listed in *Canadian Who's Who*, 1936-7.

2 / Alan Thomas interview with C. A. Bowman, Feb. 1960; CBC Program Archives, Toronto.

3 / Alex MacKenzie, of the Canadian National Carbon Company, quoted in the *Toronto Daily Star*, Dec. 8, 1928.

his newspaper in general supported the Liberal party. But altogether the commission was not a partisan body, and its appointment caused little stir. Some surprise was expressed that there were two Ontario members and none from the West.

The appointments were made by an order in council⁴ which included a descriptive analysis of the broadcasting situation, prepared in the Department of Marine. It spoke of the public demand for broadcasting service, the low power of existing stations, and the fact that most of them were operated "for purposes of gain or for publicity in connection with the licensees' business." It estimated that the capital investment in existing stations was just over a million dollars. It conceded that a large number of Canadian listeners preferred listening to United States stations and suggested that the remedies lay in the establishment of high-power stations throughout the country and in a greater expenditure on programs. It outlined three possible ways in which these twin objectives might be achieved: "(a) the establishment of one or more groups of stations operated by private enterprise in receipt of a subsidy from the Government; (b) the establishment and operation of stations by a government-owned and financed company; (c) the establishment and operation of stations by provincial governments."

The commission was asked "to consider the manner in which the available channels can be most effectively used in the interests of Canadian listeners and in the national interests of Canada," and to recommend on the future administration, management, control, and financing of broadcasting in Canada.

The commission began work immediately. Donald Manson, chief inspector of radio in the Department of Marine, was named secretary. After two organizational meetings in December, the commissioners decided to visit first the United States, and then Great Britain and other European countries. Aird assumed they would have most to learn from the United States, believing that the British corporation was a "stilted, civil service kind of thing." In New York, the commissioners visited the National Broadcasting Company, whose representatives explained that NBC was planning to expand their system to cover the whole of North America, adding the confident assurance that they would give Canada the same quality of service they were providing the United States.⁵

4 / Pc 2108, Dec. 6, 1928, *Canada Gazette*, LXII (1929), 2306.

5 / Thomas interview with Bowman. Bowman thought it was a lucky thing that the commission had gone first to New York. Aird was disturbed by the frank assumption of the American broadcasters that Canada was within their orbit.

In England, the commissioners visited the postmaster general and then the BBC, where they were introduced to Sir John Reith, the director general. Sir John placed the entire organization at their disposal, so that they might understand thoroughly the structure of the corporation, its relation to government, its financial operations, and its concept of public-service broadcasting. The BBC looked forward to having not one national program service but three, and regional services as well. Reith and Aird, both sons of the manse, hit it off; and Aird was impressed with the British accomplishments. Frigon was interested in BBC engineering developments, and felt that technically the British were well ahead of the Americans. They visited six other European countries: France, Germany, Belgium, the Netherlands, Switzerland, and Ireland. Of these, Germany impressed them most, with its mixture of federal and state control of broadcast programs. Frigon, with his particular concern for Quebec, was especially interested in the German system.

After returning to Canada, the commission began hearings in British Columbia in mid-April 1929. Public sessions were held in 25 cities, 10 in western Canada and 15 in the East. The commission heard 164 verbal presentations, and received 124 written statements. In each provincial capital the commission met representatives of the provincial government, seeking assurances of their co-operation.

Some of the commission's records of hearings in eastern Canadian cities are in the Public Archives, but there are none from the West. In opening each hearing, Aird reported on what the commission had observed in its travels abroad, and on what they had heard in other Canadian cities. For example, Aird told his Windsor audience that previous representations were to the effect that political and religious controversy in broadcasting should not be allowed, that programs should facilitate more communication between the people of various regions in Canada, and that advertising was smothering the proper use of radio. In Hamilton, he suggested that the United States system was "devolving practically into a monopoly," and that Canadians had expressed willingness to pay for Canadian programs, surfeited as they were with American material. Frigon emphasized that there would have to be provincial co-operation in arranging programs, and he contrasted the European view of radio as a medium for moulding public opinion and tastes with the American attitude that radio was solely for advertising and entertainment. Bowman told the Hamilton meeting: "In the United States broadcasting has been allowed to grow up like Topsy, and Mr. Roosevelt has expressed the hope that Canada would not leave radio to grow up

on such a basis, but would profit by the experience of the United States, and establish a system which would serve the community, and that radio be organized from the beginning on a basis of public service.”⁶

As the records from eastern Canada show, the commission heard a wide diversity of views. The station owners and radio dealers were four-square for the private ownership and operation of stations, emphasizing the benefits of competition. The Canadian Manufacturers’ Association supported this view, but thought that there should be a regulatory commission to control and co-ordinate broadcasting activities in Canada. Two organizations had conducted a poll of their members. The Engineering Institute of Canada (with 3460 members) had received 384 classifiable replies. Of these, 355 favoured some action by government, 29 did not; 206 favoured a subsidy from government to groups of private stations; 96 favoured operation of stations by a government-owned company; and 29 favoured provincial ownership of stations. Sixteen wanted a combination of privately owned and publicly owned stations. The Port Arthur Radio Club had published a questionnaire; 17 respondents wanted dominion government control, one wanted provincial control, and 8 wanted private operation.

Most educationalists at the hearings supported government ownership and control. At the beginning of the Canadian tour, the commission attended a Vancouver meeting of the National Council of Education, and heard an address by the Rt. Hon. Arthur Meighen which set the tone of the council’s discussion: “If left to private enterprise like the magazine and the moving picture, it is bound to cater to the patronage that will reflect in dividends for the stockholders. That is sound commercially, but it will never achieve the best educational ends. ... The amount of fodder that is the antithesis of intellectual that comes over our radios is appalling while the selection of material for broadcasting remains in commercial hands.”⁷

The Canadian Legion, the All-Canadian Congress of Labour, the Trades and Labor Congress of Canada, and the United Farmers of Alberta strongly supported government ownership. The first two of these organizations complained that there was “too much propaganda from

6 / *Ibid.* Bowman said that this statement of Franklin Roosevelt, then governor of New York, had been made in a conversation with Vincent Massey, Canadian minister to the United States. Roosevelt was interested in the work of the Royal Commission, and recalled that as under-secretary of the Navy, he had advised public ownership of radio.

7 / Meighen was quoted in Bowman’s draft of the commission report, from which he read in the Thomas interview. Meighen’s statement is also contained in the pamphlet entitled *The Canadian Radio League* (Ottawa, Jan. 1931).

the United States.” In many sessions throughout the country, it was emphasized that broadcasting should be “Canadian for Canadians.”

Interesting submissions by written statement came from three Montrealers: J. A. S. Dupont, radio director for *La Presse*, which had in CKAC the dominant station in French Canada; E. A. Weir, director of radio for the Canadian National Railways; and E. W. Beatty, president of the Canadian Pacific Railway.⁸

Dupont reminded the commission that the province of Quebec presents certain difficulties that do not exist elsewhere because of bilingualism in the province. He recommended that ownership and operation of stations be left in private hands, but that the number of stations be limited and stations of higher power encouraged. (*La Presse* was then constructing a new station of 5000 watts, which would make it equal to a station in Toronto, CKGW, and one in Winnipeg, CKY.) Competition, he said, results in better programs, whereas public ownership would result in political meddling and government propaganda and the placing of Canadian advertisers in a position inferior to that of American. He contended that local owners in a large country like Canada can best cater to the tastes and usages of people so diverse in languages and customs; that too many stations result in confusion; and that higher-power stations bring “the best of music and the best of broadcasting.”

For the Canadian National system, Weir claimed that their aim was not merely to publicize the CNR but to advertise Canada and to assist settlers in remote communities. He reminded the commission that the Canadian National was “the nation’s largest, best established and only national broadcaster.” After five years of pioneering effort, the CNR should be able to reap the rewards of its initiative, just as the great broadcasting organizations of the United States were about to do. He suggested that whatever policy was recommended, the foresight and initiative of the CNR should be recognized and rewarded.

Edward Beatty maintained that a number of privately owned stations were operating successfully, and he saw no need for the government to establish stations or organize a broadcasting company. He was in favour of federal control of broadcasting, but the kind of control that would allow latitude to the individual companies and encourage initiative.

The commission held their last hearing in Ottawa on July 3, 1929, and then began work on their report. A few months later, Bowman described their method of work to a magazine writer:

⁸ / PAC., Files of the Aird Commission, letter from Dupont, May 29, 1929; memorandum from E. A. Weir, May 30, 1929; letter from E. W. Beatty, Feb. 6, 1929.

No influence, either by the federal cabinet collectively or by individual ministers, or by any official, has at any time been brought to bear to affect the recommendations in the report. The commissioners did not even endeavor to influence one another during the enquiry.

After hearing the evidence and gathering information ... each commissioner drafted an outline of what seemed to be the desirable way to meet the situation in the national interests of Canada and the interests of Canadian listeners. We agreed to do this before meeting again to consider the final report.

For my part, until this subsequent meeting, I had no more idea what Sir John Aird would propose than you had. We had come separately to unanimous conclusions on the general course to be followed. ... It only remained for us to come to an agreement on questions of detail.

While the commission met executives of the nine provincial cabinets, at no time during the investigation did it have even one conference with the Federal ministers.⁹

While work started on their individual outlines, another job had to be completed. The commissioners wanted to get from the nine provinces formal assurances of their co-operation in organizing broadcasting. Aird wrote letters of reminder on July 6 to the premiers of three provinces (Quebec, Prince Edward Island, and Nova Scotia) who had not yet provided a written statement.¹⁰ On August 29, Quebec had still not replied, and Aird wrote the secretary, Donald Manson, that "the Doctor [Frigon] should now press this matter to a conclusion." On September 3 Manson was able to reassure the chairman that the Quebec resolution was in.

From the initial outlines, Aird realized that the three commissioners were thinking along parallel lines. He suggested to Bowman and Frigon that if they could agree on a draft report, he would be prepared to sign it.¹¹ While the other two worked in Ottawa and Montreal, Aird returned to Toronto. Manson kept him advised of progress and sent him successive drafts.

Frigon was insisting on more provincial control of programs than Bowman was prepared to recommend. A particular point on which they could not agree was the method of nominating the board of directors for the proposed new company. Manson described the stalemate to Aird in letters dated August 17, August 21, and August 28.

9 / James A. Cowan, "Does Canada Want Government Radio?", *Maclean's*, May 1, 1930, pp. 9 and 40. In the Thomas interview, Bowman reiterated that no commissioner tried to press his view on another.

10 / PAC., letters from Aird to Premiers Taschereau, Saunders, and Rhodes.

11 / Thomas interview with Bowman. The draft memoranda prepared by Bowman and Frigon are in the Special Collections division, University of British Columbia Library, Vancouver (reproduced on microfilm). There is also a draft of the final report, prepared as the result of a meeting of the commission on July 31-Aug. 1, 1929, on which are written Bowman's marginal comments.

On August 19, Frigon wrote Bowman from Montreal:

I have given a good deal of thought to your proposal of recommending that the directors representing the provinces on the board of our proposed broadcasting company should be nominated by each province respectively, but appointed by the Federal Government. Your argument that this would submit each director to the approval of two bodies, namely a provincial government and the Federal government, is very good indeed, and at first I was inclined to think that it would be sufficient to warrant my accepting your suggestion.

On second thought, however, I find that this would be contrary to the principle of co-operation which we have adopted as it would give to the Federal Government a definite control of the whole board and would not protect the provinces.

Frigon argued that the federal government was only one of the partners, and he insisted that each province should appoint its own director.

Bowman replied the next day:

I am ready to agree to your proposal that nine of the twelve directors should be appointed directly to the board by the provinces. Obviously, however, to place this process fairly on the principle of co-operation, the provinces must be prepared to assume an equivalent share of the financial obligations involved. ... One such plan of co-operation might be to allow the provinces to take stock in the company in proportion to the cost of buying out the existing radio stations in each province.

But this was a ploy, and Frigon was not to be diverted. He wrote that they were not discussing a business proposition. Then he suggested a way of avoiding the choice:

If you are willing to second me, I would like to propose ... "In order that the governing body or board of the Company should be composed of twelve members, three representing the Dominion Government and one representing each of the provincial governments: the mode of appointment of the provincial directors to be decided upon by agreement between the Dominion and provincial Governments."¹²

This compromise (or evasion) was written into the final report with one modification: the nine members were said to represent the provinces, rather than the provincial governments.

It was about this time that Premier Taschereau of Quebec mailed his letter to the commission. Perhaps he had been waiting for some assurance that the commission's recommendations would suggest a satisfactory role for the provinces.

Taschereau wrote August 28 that his government would co-operate with the Dominion in establishing the necessary control of broadcasting, but warned that the province of Quebec did not intend to "waive its rights of jurisdiction which have been granted to it by the North America Act."

12 / PAC., Bowman to Frigon, Aug. 20, 1929; Frigon to Bowman, Aug. 30, 1929.

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He expressed confidence that a "definite policy could be established under common agreement between the Government of Canada and the various provincial governments in the general interest of the country." New Brunswick also claimed jurisdiction. The other seven provinces all employed the same formula in their letters to the commission, expressing their willingness to negotiate "with a view to the organization of radio on a basis of public service."¹³

With receipt of the final letter from the provincial governments, and agreement between Bowman and Frigon, Manson had only to finish combining the draft reports, and ask for an appointment with the minister of marine, Mr. Cardin. In his letter to Cardin on September 3, Manson remarked that "a final revision of the Report was only made this morning." The report was formally handed to the minister on September 11, 1929.

2 "*A Model of Decisiveness*"

"The report of the Royal Commission on Broadcasting is a model of conciseness and decisiveness." So declared the Ottawa correspondent for *Saturday Night*.¹⁴ The text of the report, excluding appendixes, ran only nine pages.

The commission reported that it had found unanimity on one fundamental proposition: "Canadian radio listeners want Canadian broadcasting." Although private enterprise was to be commended for its efforts to provide entertainment for the public, the lack of revenue had resulted in forcing too much advertising on the listener. Furthermore, the country as a whole was not effectively served: there was too much crowding of stations in urban centres and too little service elsewhere. The majority of programs heard were from sources outside Canada. There was not enough program exchange between different parts of the country. And the potentialities of broadcasting, especially for education, had not been realized. From these circumstances, the commission concluded that the interests of Canadian listeners and of the Canadian nation "can be adequately served only by some form of public ownership, operation and control behind which is the national power and prestige of the whole public of the Dominion of Canada." Broadcasting must be operated on a basis of public service.

13 / Royal Commission on Radio Broadcasting, 1929, *Report*. Hereafter cited as *Aird Report*.

14 / E. C. Buchanan, *Saturday Night*, Sept. 21, 1929.

The order in council setting out the commission's task had suggested three ways in which the system might be established: (a) groups of privately operated stations in receipt of a government subsidy; (b) stations operated and financed by a government-owned company; and (c) stations operated by provincial governments. The system proposed by the commission did not fall exactly in any one of the categories suggested, but was a modification of (b): "the establishment and operation of stations by a government-owned and financed company." The stations, the commission believed, should be owned and operated by one national company, "vested with the full powers and authority of any private enterprise, its status and duties corresponding to those of a public utility." The name suggested for it was the Canadian Radio Broadcasting Company.

However, the commission felt it desirable that "provincial authorities should be in a position to exercise full control over the programs of the station or stations in their respective areas." This program control should be exercised in each province through a provincial broadcasting director or a provincial commission, assisted by a provincial advisory council.

The company was to be composed of twelve members, "three more particularly representing the Dominion and one representing each of the provinces; the mode of appointment of the provincial directors to be decided upon by agreement between the Dominion and provincial authorities." The provincial representative on the board was also the provincial director: that is, the man who would have "full control" over the programs broadcast in his province.

Turning its attention to coverage, the report set an objective of providing "good reception over the entire settled region of the country during daylight or dark." This might be achieved by building seven high-power stations of 50,000 watts, one for the three Maritime provinces, and one for each of the other provinces. These stations would form the nucleus of the system, with local stations added as needed. The stations should be built in such a way that ultimately they could broadcast two programs simultaneously.

Since this system of high-power stations could not be realized at once, in the meantime a provisional service should be provided. One existing station in each area should be taken over from private enterprise until the larger stations could be placed in operation. "All remaining stations located or giving duplication of service in the same area should be closed down." Compensation should be paid to radio stations for the physical apparatus which they had actually in use, and some of this apparatus could be placed in areas which had not been receiving service.

The commission estimated that the seven high-power stations would cost \$3,000,000; and that another \$225,000 might be paid for salvaged equipment which might be re-erected as four smaller stations. In addition, compensation would have to be paid to those stations whose plants were simply closed down, and the commission thought this should be paid from a parliamentary appropriation. The annual cost of operation was estimated to be \$2,500,000 as a minimum.

The commission felt that so long as radio was enjoyed by only a part of the population, its total cost should not be met out of public funds voted by Parliament. "On the other hand ... radio broadcasting is becoming more and more a public service and in view of its educative value, on broad lines and its importance as a medium for promoting national unity, it appears to us reasonable that a proportion of the expenses of the system should be met out of public funds." An annual licence fee of \$3.00 was recommended, which, at the beginning, would bring in \$900,000, and the number of licences would increase year by year. Some revenue, perhaps \$700,000 each year, could accrue from "indirect advertising."

While dealing with the problem of finance, the commission set out its views on advertising. It felt that in the ideal program there would be no advertising of any sort and that direct advertising, which had been much criticized, should be eliminated entirely. But "manufacturers and others interested in advertising have expressed the opinion that they should be allowed to continue advertising through the medium of broadcasting to meet the competition coming from the United States." The commission granted this argument, and settled for indirect advertising, that is, sponsored programs without a direct sales message. Perhaps indirect advertising could be eliminated when broadcasting was on a self-supporting basis.

The revenue from licence fees (\$900,000) and from indirect advertising (\$700,000) would still not equal the estimated cost of operation each year (\$2,500,000). Because of Canada's vast territory and small population, the commission doubted whether the two sources of revenue should be expected to provide enough money for a satisfactory service. It therefore recommended that the proposed company be subsidized by an amount of \$1,000,000 a year for five years. "We believe that broadcasting should be considered of such importance in promoting the unity of the nation that a subsidy by the Dominion Government should be regarded as an essential aid to the general advantage of Canada rather than as an expedient to meet any deficit in the cost of maintenance of the service."

The report was not specific on the kind of programs that would "promote the unity of the nation," or the desirable balance between national and provincial programming. Only one paragraph was devoted to a discussion of networks: "Chain broadcasting has been stressed as an important feature. We think that an interchange of programs among different parts of the country should be provided as often as may seem desirable, with coast to coast broadcasts of events or features of national interest, from time to time."¹⁵ On the subject of programs, the commission recommended that worthy programs be brought in from other countries; that certain hours should be made available for school broadcasts and for adult education; that religious broadcasts should be free of attack on the leaders or doctrine of another religion; and that political broadcasts should be "restricted under arrangements mutually agreed upon by all political parties concerned."

Matters relating to interference, assignment of wavelengths, and so on, should be left to the Department of Marine. Efforts should be continued to reach a more equitable division between Canada and the United States of the broadcast band.

In short, the commission recommended a publicly owned system, with no private stations, and programs which should have only a limited commercial content in the form of "indirect advertising."

3 *The Report Assessed*

The Aird Report offered a flat rejection of the assumption which until that time had prevailed in Canadian broadcasting: that the listener was best served by a number of stations competing with one another in any given location and sustained by revenue from advertising. Obviously the commission members did not arrive at their conclusion from any doctrinaire opposition to private enterprise; the report suggests rather that several considerations led to their conclusion. Perhaps most important was their view that broadcasting had a potential, largely unrealized, that was greater than mere entertainment. The report referred to this potential in such phrases as "education in the broad sense," "public service," and "fostering a national spirit and interpreting national citizenship." The commissioners several times specified a national objective for the Cana-

15 / *Aird Report*, p. 10. Oddly enough, there were more references to a "national chain" or a "chain of national stations" in both the Bowman and Frigon drafts which preceded the consolidation into a final report (Special Collections division, University of British Columbia Library).

dian radio system in references to “promoting national unity,” moulding the “minds of the young people to ideals and opinions that are ... Canadian,” and informing the public on “questions of national interest.”

The commission came to the justifiable conclusion that existing advertising revenues were insufficient to realize the objective of a more comprehensive program service or even to provide adequate broadcast coverage for the scattered Canadian population.

The commission rejected the idea of subsidies for private stations, but did not say why. One may advance several reasons. First, its members were impressed with the quality of programs in several European countries that did not allow advertising, particularly Great Britain and Germany. Then no doubt they thought that private operators would always be impelled to put most of their effort toward programs offering light entertainment. Finally, there is an assumption hardly made explicit, except in the editorials written by Bowman, that private station ownership would be likely to lead to American domination, in the provision of programs, if not in actual ownership or operation of stations. This assessment, in the light of 1929 conditions, was also realistic.¹⁶

Another alternative was rejected – a mixed system that would be partly public and partly private in ownership and operation. We do not know whether this alternative was seriously considered; probably not. At any rate, the commission does not appear to have valued a multiplicity of services very highly. They recommended one station per region with the hope that it could provide two program services – perhaps a national program and a regional or local program – they did not say. This was all they thought the country could afford. National advertisers could contribute to these program services, but there was no need for competition in the building of stations.¹⁷

The report made its appearance after Canada had enjoyed a few years of booming prosperity, and the proposed expenditures were not of alarming proportions. The private stations had been run on a shoe-string;

16 / These and other considerations are contained in the draft prepared by Frigon in July 1929: “Memorandum Prepared by Augustin Frigon in Connection with the work of the Royal Commission on Broadcasting” (Special Collections division, University of British Columbia Library). Frigon’s memorandum listed “Arguments in Favour of Private Ownership,” “Arguments against Private Ownership,” “Arguments in Favour of Public Ownership,” and “Disadvantages of Public Ownership.” The weighting was obviously in the direction of public ownership, although Frigon was ready to consider that the public company might “grant the privilege of broadcasting to any private firm or public body if special local circumstances so warrant it.” This suggestion was not incorporated in the final report.

17 / Editorial in the *Ottawa Citizen*, “On Excessive Competition,” April 18, 1930. Bowman’s draft report was more specific on these points than the final report.

the Department of Marine estimated that their physical plant in 1928 was worth only a million dollars. In spite of the stock market crash less than two months after the Aird Report's publication and the onset of the depression, the radio industry continued to grow. The value of radio apparatus production in Canada was about nine million dollars in 1928–9, and nearly thirteen million dollars the next year. By 1931–2 it had grown to twenty-one millions.

The commission made no special reference to the problem of producing programs for the French-speaking third of the population. We have seen that they were most inadequately served, and as American programs became more available to Canadian stations (both by transcription and network connection – each development just beginning) the position of French programming grew more perilous. However, the commission's stipulation that programs in each province were to be locally determined was a guarantee that Quebec at least would be provided with a French-language service. Indeed, except for Quebec's special needs it is unlikely that the elaborate system of provincial directors and provincial advisory committees would have been recommended.

The division of authority between federal and provincial representatives was undoubtedly a weakness in the report and might have been unworkable if put to the test. We have seen that it represented a compromise between the wishes of Frigon and Bowman. But it also reflected the uncertainty about jurisdiction between federal and provincial authorities. It will be recalled that in one province, Manitoba, a provincial agency had a monopoly of all broadcasting. Broadcasting was not mentioned in the British North America Act, but education was. Those organizations concerned with the educational potential of broadcasting tended to think in terms of provincial authority. The National Council of Education submitted that "in the interests of Canadian national life and culture it is imperative to proceed at once with the organization of radio broadcasting on a basis of public service with Dominion and Provincial co-operation." The Universities' Conference supported a "policy of Dominion-Provincial co-operation to control Radio Broadcasting, and the advisability of University representatives on the programme organization committee."¹⁸

The chief weakness of the report was the lack of clarity about who would appoint the board of twelve directors, how and to whom they were to be accountable, and who was to manage the company. Aird had forwarded a copy of the report to Sir John Reith in London, and Reith's

reply pointed out the central weakness: "Who is going to be in charge? Is it the Chairman of the Board? Or do the Board appoint a Chief Executive? If so, how will he get on with the Provincial Directors who have to have full charge in their Provinces? I do not see one real authority anywhere."¹⁰

Nor did the report make adequate provision for the development of network programming on the North American continent. The insistence on provincial control of all programs would make the administration of English networks exceedingly difficult. Yet the evidence from the United States was that listeners were predominantly interested in network programs; the scramble for network affiliation among stations had already begun. In Canada, wire circuits across the country were near completion, and the response which had greeted the Diamond Jubilee programs in 1927 indicated that Canadians were eager to have a national service. The report envisaged this, but administratively it seemed to be working on the assumption that individual stations or at most provincial networks would be the basic units.

The commission also underestimated the taste that North Americans had developed for "shopping around" among programs and for the local services to which they were accustomed. Here the British example was misleading. The proposal to build seven 50,000-watt transmitters was a bold concept and probably a technically feasible means of providing service to most of the country. But even the broadcasting of two programs at once may have fallen short of what listeners would expect, at least in the evenings; and there would be no local stations to provide other choices. Of course, American stations would still be available.

The commission was perhaps over-impressed with the scarcity of frequencies. Technical advances were taking place even then which would allow greater selectivity in receivers and better control of signals by transmitting stations. The early result was a further increase in the number of stations on the American continent, and a reduction in the area which any one station would serve effectively.

Finally, the commission underestimated the advertising potential of radio, the impact it was having on North American patterns of consumption, and the degree of acceptance advertising would win among even discriminating listeners. Bowman, in spite of his strongly developed interest in broadcasting, was still a newspaper man, and did not welcome the commercial rivalry of radio. Aird (according to Bowman) was not a radio listener; his attitude is revealed in an interview he gave the *Toronto Star* after the publication of the report: "My impression is that

19 / PAC., J. W. Reith to Sir John Aird (undated).

radio is not an ideal advertising medium and that its value as such is decreasing. The newspaper is the best medium, as is being proven every day."²⁰ (In fact, during the depression, newspaper revenues from advertising were to decline, and radio revenues to increase.)

The Aird Report was solidly based on the sentiment of Canadian nationalism and reflected a noble concept of broadcasting purpose and potential. It modified the British system to better suit Canadian federalism and the existence of two languages and cultures. But it did not provide any clear guidelines on how programming would be carried out and administered so as to take account of both the Canadian parliamentary system and the regional and linguistic divisions of the country. Nor did it reckon on the centralization of programs attending any system of broadcasting which attempts to serve a national purpose, and the differing responses to this in French and English Canada.

4 "En Garde Contre l'Etatization"

As newspapers published comments on the report, Manson, who was now back in the Department of Marine, forwarded summaries to Aird. At the beginning of October, he listed twenty-one publications with comments favourable to the report; four that were critical or hostile; and ten that were non-committal.

Five Southam papers praised the report; four of these were Conservative in editorial policy. The *Toronto Telegram*, which seldom approved of anything initiated by the King ministry, commended the report in an editorial headed "A Step Forward for Radio in Canada," suggesting that it might redeem the character of broadcasting and lift it out of the chaos into which it had sunk.²¹ *Le Devoir*, the nationalist daily in Montreal, said the report was all that could be desired and declared unequivocally that radio should be nationalized.²² Among other approving newspapers were the *Ottawa Journal*, *La Patrie* (Montreal), the *Victoria Daily Times*, the *Regina Leader*, the *Border Cities Star* (Windsor), and the *Moncton Transcript*.

The *Manitoba Free Press* was rather non-committal. It noted that most opinion expressed in the newspapers favoured the commission's report, and it answered one of the arguments of the opponents by stating

20 / *Toronto Daily Star*, Sept. 12, 1929, "Sir John Aird Feels Sure Public to Back Radio Plan."

21 / *Telegram*, Sept. 12, 1929.

22 / *Le Devoir*, Sept. 12, 1929.

that radio in its very nature tends to become a monopoly. "The alternative, then, is not between private enterprise in Canada and Dominion Government monopoly ... but between big business monopoly control from across the line and Government monopoly here." Nevertheless, there were dangers in control by the central government:

Radio ... is one of the vehicles for the dissemination of opinion. It should be made very clear that no Government control should harry such discussion into "safe" channels.

Perhaps the best safeguard against such an eventuality will be the power retained by the individual province in the direction of broadcasting from its station. ... The important consideration is the personnel of the governing board and the sanctity of its judgments. Humanly speaking, this will be best safeguarded through the adjustment of provincial control in a federal body.²³

Two important dailies opposed the recommendations of the commission, the *Montreal Star* and *La Presse*. The latter newspaper at once started a campaign to rouse opposition in Quebec through a series of front-page editorials headed "En Garde Contre l'Etatization." "Let the Government take hold of radio and immediately industry will suffer," it wrote in an editorial of September 17. Soon afterward it published a pamphlet in French and English entitled "Aird Report Menaces the Trade and Commerce of Radio."²⁴

In the first four months of 1930, the newspaper and the radio station belonging to *La Presse* intensified the agitation against the Aird Report, and asked readers to take part in an essay competition for cash prizes. Coupons were printed daily which readers were to sign and return as evidence of their protests. On another page *La Presse* printed each day the instruction: "Pour la liberté de la radio, écrivez à vos députés." Frequent news items reported resolutions passed against nationalization by municipalities, parishes, and boards of trade. In March and April, two Quebec Liberals presented petitions in the House of Commons against the state ownership of radio, the second petition containing 22,000 names. An analysis of these showed that nearly all had been inspired by *La Presse* or were entries on their coupon forms.²⁵

In Toronto, the *Financial Post* first led the opposition to the commission report, but much less vehemently than *La Presse*: "If we insist on the government entertaining us, we may get into the frame of mind when we shall look to it for bread as well." The *Financial Post* conceded

23 / *Manitoba Free Press*, Sept. 23, 1929. The *Free Press* editor, J. W. Dafoe, had declined an invitation to be a member of the broadcasting commission; PAC., J. W. Dafoe Papers.

24 / PAC., Manson to Aird, Dec. 30, 1929.

25 / *Ibid.*, Manson to Frigon, May 17; Manson to Aird, May 2, 1930.

that much of the direct advertising on private stations was offensive, but argued that it should not be necessary to revolutionize the broadcasting system to put an end to these practices. All that was needed was for the minister of marine and fisheries to exercise his authority by taking off the air "any broadcasting station which permits those who buy time to utilize that time for selling talks interspersed with the minimum of education or amusement."²⁶

This was a remedy typically suggested by business organizations not themselves engaged in broadcasting enterprise: do not change the system, permit a certain amount of government regulation, and (as advice to broadcasters) exercise self-restraint. Presumably, the *Financial Post* would have been satisfied with an equivalent of the Federal Radio Commission, established two years previously in the United States – an authority which could license stations and regulate wavelengths, but which could not intervene in matters of programming, except by cancelling licences. The *Financial Post* did not explain how such a system would provide a national service or fill the gaps in coverage.

Parliament did not meet until February 20, 1930, and in the meantime the only serious campaign mounted against the report was by *La Presse*. At the end of 1929, Charles Bowman undertook to reply to it in four articles that were published in the *Citizen* (December 27–31), and reprinted in other Southam papers and in the *Toronto Star*.

The first article attacked *La Presse* for its "class appeal." The *La Presse* pamphlet, entitled "Aird Project Menaces Trade and Commerce of Radio," had started out with the paragraph, "Because the conclusions of the Report of the Aird Commission on Radio in Canada menace directly their interests, representatives of industry and commerce throughout the Dominion owe it to themselves to prevent and oppose all attempts to put these conclusions into effect." The Royal Commission, said Bowman, considered the radio question from no such limited point of view. Their recommendations were intended to promote Canadian broadcasting on the only basis on which it could survive as genuinely Canadian.

Already the drift under private enterprise is tending toward dependence upon United States sources. Contracts are being made between Canadian broadcasting agencies and the more powerful broadcasting interests of the United States. Increasing dependence upon such contracts would lead broadcasting on this continent into the same position as the motion picture industry has reached, after years of fruitless endeavor to establish Canadian independence in the production of films.

26 / *Financial Post*, Oct. 10 and Dec. 26, 1929.

La Presse had said that the suggested licence fee would lessen demand and slow up sales of receivers. Bowman replied that this had not been the effect in other countries such as Britain and Germany.

In his second article Bowman defended the commission's proposals to limit advertising, and suggested that the American system had produced enormous confusion and waste.

Privately-owned Canadian broadcasting stations, with nothing like the revenue available to the larger stations in the United States, cannot hope to compete beyond a very limited audience which, in itself, would be insufficient to support broadcasting worthy of Canada.

The plan of nationally owned transmitting stations ... will furnish Canadian good-will advertisers with far better facilities for broadcasting than are available at present or than there is any prospect of being established across this Dominion by private enterprise. The cost of equipping Canada with radio stations to compare with the most popular stations in the United States would be more than revenue from Canadian radio advertising could support. ...

Competition in the furnishing of entertainment is assured, however, by the provision in the report to allow the renting of time by advertisers for the broadcasting of sponsored programs. There can be just as much diversity of entertainment over the Canadian stations, nationally-owned, as there is over the National Broadcasting system in the United States.

Bowman reminded his readers that the commission's plans had been worked out "under the guidance of one of the leading financial authorities in Canada, Sir John Aird." Competition in the building of stations was economically unsound; private enterprise in the arranging of programs, competition between "goodwill advertisers," was desirable.

The third article defended the report against the accusation that it was recommending the British system for a country in which it was not suitable. Bowman said they were not recommending the British system, but argued anyway that the BBC gave better program service than the critics made out. Then he returned to his nationalist appeal:

The question to be decided by Canada is largely whether the Canadian people are to have Canadian independence in radio broadcasting or to become dependent upon sources in the United States. ... Even now the larger Canadian stations are making contracts to tie themselves up with United States broadcasting interests. In effect, acknowledging that they cannot compete with the popular American stations, they are taking the first steps to becoming the importing agencies for United States broadcasting in Canada.

The fourth article picked out certain statements that *La Presse* had made under the title "Healthy Competition." According to *La Presse*,

the best system for Canada is private ownership, allowing as it does fully for competition and the desire to furnish well-balanced programs. ... The splendid

development of CKAC broadcasting station is due to private ownership and competition, those maintainers of healthy rivalry, which almost always lead to success. Like the press, radio must remain independent, for this instrument of dissemination shall become ever more powerful.

After reiterating his view that the real question was not private ownership or state ownership, but a Canadian broadcasting service or dependence upon United States sources, Bowman turned to the comparison of press and radio.

It is quite erroneous to compare radio as being "like the press." There cannot be any such free competition between radio broadcasting stations in one community as there is between newspapers. So long as there are customers for newspapers, there need be no limitation to the number of papers published in any one day. The number of broadcasting stations is limited, however, by nature. ... Radio transmission is, in effect, a natural monopoly. The result of free competition would be chaos in the radio realm. At the same time, it is as economically unsound to promote competitive broadcasting stations in one community as it would be to promote competitive telephone exchanges.

If Canada overbuilds, by getting more than one radio network, it would be analagous to what happened in its railway history. But "it would be far more difficult ... to re-establish a national service of radio broadcasting after private extravagance had led to insolvency. ... United States radio competition would in the meanwhile have effectually settled Canadian prospects of radio independence." Bowman concluded: "At every public session held throughout the country, the commission heard this desire for more Canadian broadcasting expressed. The desired service in the interests of Canadian listeners and in the national interests of Canada can be assured only by co-operative national effort along the lines recommended in the report of the Royal Commission."

Except in Montreal, the reaction by the end of 1929 to the Aird Report was predominantly favourable, and the Department of Marine began work on legislation which it was assumed would be introduced into Parliament early in the new year.

5 The Bill: Now You See It, Now You Don't

The Aird Report had been released only two days when newspapers carried reports about a bill which would be placed before parliament in the next session. The *Toronto Star* reported that the bill would provide for a company and a director general, selected by a board of twelve (three federal nominees and one from each province). Asked in Decem-

ber whether the government would adopt the commission recommendations, the minister of marine, Mr. Cardin, refused to answer directly. But he said that he favoured a scheme of radio control patterned after the Canadian National Railways, where there was no political interference.²⁷

In January 1930, Cardin announced that a bill would be introduced during the coming session, and that it would probably be referred to a special committee.²⁸ In mid-February, Manson wrote Aird:

I may tell you, confidentially, that the Bill is already prepared and simply awaits final approval by the Minister himself before it is printed for the Cabinet. This Bill will embody the Commission's suggestion insofar as the forming of a national company called "The Canadian Radio Broadcasting Company" is concerned, its functions, etc. If the Bill is then approved an Order-in-Council will be necessary, under the Radiotelegraph Act, raising the fee to \$3.00. The question of compensation to existing stations would have to be dealt with separately. ... It is very likely that those directly interested in the operation of stations by private enterprise will be here in force to present their views to the special committee which will, in all probability, be formed to consider the Bill. In any case, we are looking forward to something being done definitely one way or the other, because the present situation cannot be regarded otherwise than intolerable.

When Parliament opened a few days later, the speech from the throne promised merely that "the report of the royal commission appointed to inquire into the existing situation with respect to radio broadcasting in Canada will be presented for your consideration."²⁹ The leader of the opposition, Mr. Bennett, protested that it was the responsibility of the government to bring forward a policy. "Is a bill to be introduced in accordance with the recommendations of the commission, or not? Why appoint a commission if you are going to disregard its recommendations?" The prime minister replied that a bill would be introduced based upon the commission report; but since some of the considerations were technical, it would be advisable to have a special committee of the House to consider the question.³⁰ This announcement intensified the activities of the private stations to head off the bill, and they were able to recruit some new allies.

27 / Interview in Montreal, as reported in the *Toronto Daily Star*, Dec. 17, 1929.

28 / *Ottawa Citizen*, Jan. 10, 1930; also PAC., Manson to Aird, Jan. 20, 1930.

29 / *Debates*, Feb. 20, 1930, p. 2.

30 / *Ibid.*, Feb. 24, pp. 24 and 45. Prime Minister King told Bowman, apparently before this, that he liked the commission's report. but he did not think it wise to implement it in the spring session, which was going to be an election session. The broadcasting proposal should not be made a political football. (Thomas interview with C. A. Bowman. Also Bob Bowman interview with C. A. Bowman, Nov. 1963. Both recorded interviews are in CBC Program Archives, Toronto.)

The stations in Toronto had not left it entirely to *La Presse* to wage a campaign against the Aird recommendations. As soon as the report appeared, a director of the Canadian Radio Trades Association, and a former station manager, spoke for most of the stations when he said:

Once you eliminate competition in the matter of programs, broadcasting gets into a rut. ... If this scheme goes through, our programs are bound to get worse until nobody will listen to anything but American programs. I don't think it will ever become law because I don't think the public will stand for it. We knew from the start what the Commission was aiming at, and before it is put into effect I think the Canadian Association of Broadcasters will ask for the views of the public.³¹

Mr. Alex MacKenzie of the Canadian National Carbon Company, who nine months before had praised the choice of commissioners, took issue with every major proposal in the report: the broadcasting business "will work out its destiny best in a natural manner and on a national basis, with private ownership assisted by adequate support of provincial and federal authorities."³² He had been on the delegation representing the Canadian Manufacturers' Association before the commission hearing in Toronto. Recalling this, he promised that the Manufacturers' Association would strongly oppose the proposed scheme, adding:

There will be a fight in the House of Commons, and I can't see how the plan will go through the committee stage. ... Remember that private ownership persists in the United States. Will Canadian manufacturers be able to compete on equal terms with those to the south of us, if they can still use the air for advertising and our manufacturers cannot? That is an important point the commission has not considered.

The National Carbon Company's station, CKNC, broadcast editorials against the report, intensifying their effort in February and March.³³

The Toronto stations with the greatest influence, however, were CFRB, the Rogers Batteryless station, and CKGW, the station of Gooderham and Worts. CFRB was a fairly new station (opened in 1927) with a power of 4000 watts, and already eager to increase its power to 50,000 watts.³⁴ The Rogers company sold not only radios of their own patent, but Majestic radios of American origin. On April 21, 1929, CFRB joined the Columbia Broadcasting System, and carried as its first CBS feature "The Majestic Theatre of the Air," advertising Majestic radios. It also made arrangements to have its newscast originate in the editorial rooms

31 / R. F. Combs, former manager of CKNC, quoted in the *Evening Telegram*, Sept. 12, 1929.

32 / *Toronto Daily Star*, Sept. 12, 1929.

33 / Column by E. L. Bushnell, manager, CKNC, *Globe*, March 19, 1930.

34 / *Debates*, April 28, 1930, p. 1503.

of the *Globe*, which joined it in the campaign against the proposed legislation. The *Globe* advised its readers, if they wanted their favourite stations to stay on the air, to express their views directly to their members of Parliament. Implementation of the Aird Report would mean confiscation of existing stations that had pioneered radio in Canada, to make way for an experiment in "Civil Service broadcasting." And it would seriously interfere with the "democracy of radio."³⁵

Meanwhile, CKGW had pulled off an even bigger coup than CFRB. Until September 1929, these two stations shared a frequency; now, each station had a frequency to itself. CKGW and the *Telegram* then joined in an arrangement to bring programs of the National Broadcasting Company into Toronto, including "Amos 'n' Andy," the daily program that dominated all radio listening in the United States. The *Telegram* announced that "CKGW's inclusion in the WEA F chain [the Red Network] of the National Broadcasting Company is but a forerunner to other Canadian stations being added to the network."³⁶ The *Telegram* was listed as the sponsor of a weekly NBC program carried in Toronto by CKGW, but originating at WJZ, New York; and on January 24, 1930, NBC offered an "All-Canadian" program, with Canadian singers, to be heard throughout the United States, with the managing editor of the *Telegram* as "guest speaker on this memorable occasion." The program originated at WEA F, New York, and it was heard in Toronto through CKGW.

The *Telegram's* editor took the occasion to announce the newspaper's policy on Canadian broadcasting:

For the sake of better broadcasting in Canada, the Toronto Evening Telegram entered into an alliance with the National Broadcasting Company which ... is able to put programs on the air which it would bankrupt any Canadian station to provide. Of its part in sponsoring the entry of the National Broadcasting Company into Canada, through such a powerful and modern station as CKGW, the Toronto Evening Telegram is very proud. Could there be a finer way of promoting international good-fellowship?

... At the present time the Canadian Cabinet is considering the government operation of broadcasting. Here and now I wish, as its editor, to place the Toronto Evening Telegram on record as entirely opposed to a proposal which may be delightful in theory but would be disastrous in results. ... President Aylesworth of NBC has vastly enhanced the home-value of every radio set within an area of thousands of square miles. ... The one fault you may find

35 / *Globe*, March 7 and 22, 1930.

36 / *Evening Telegram*, Nov. 28, 1929. CFCF, Montreal, became an NBC affiliate a year later. RCA had an interest in Canadian Marconi, owner of station CFCF. (Owen D. Young, vice-president of RCA, in testimony before the Senate interstate commerce committee; reported in the *Toronto Daily Star*, Dec. 11, 1929.) CKAC, the station of *La Presse*, joined the CBS network in the autumn of 1929.

with him is that he has been too generous in his acknowledgement of the minor part which the Toronto Evening Telegram has been able to play.³⁷

Readers who could think back five months must have been puzzled. Then the *Telegram* had called the Aird Report "a step forward for radio in Canada." Indeed in a second editorial shortly afterwards (September 14, 1929) the *Telegram* had explained why the protests of private station owners should not be heeded:

It is not a matter for surprise that the interests at present engaged in broadcasting under private auspices should fail to cheer for the public ownership of radio. ... The air channels are too important and valuable to be allowed to remain in private hands for commercial exploitation. And in Canada they have been shamefully exploited. ... As a source of entertainment the radio may play a large part in the life of the people, but its possibilities in other directions are such that the best interests of the Canadian people can be served only if it is placed under national control.

But now, in February and March 1930, the *Telegram* bombarded the public with exhortations and editorials, backed up by broadcasts on CKGW. R. W. Ashcroft, the manager of CKGW, made speeches that were fully reported in the *Telegram*; Irving Robertson, *Telegram* editor, was invited to speak over the air. Each of them attacked Bowman, the commission report, and the *Toronto Star*.³⁸ (The *Star* had not yet taken an editorial position, but had reprinted the offending Bowman articles.) The *Telegram* ran something like eight editorials in four weeks (February 25 to March 22), as well as a number of news stories reporting opposition that was developing to the Aird Report elsewhere.

Another move came in February 1930. It was announced that the Canadian Pacific Railway was entering broadcasting for the first time, sponsoring a series of musical programs, and using stations CKAC in Montreal and CKGW in Toronto. There was also a rumour, later confirmed, that the Canadian Pacific was applying for licences for three high-powered stations, presumably as the nucleus of a network.³⁹ The intentions of the CPR president, E. W. Beatty, were of special concern to Sir John Aird. Beatty was reported in the *Telegram* as saying:

37 / The *Telegram*'s front-page story (Jan. 24, 1930) was headlined: "Program Dedicated to Canada, Broadcast from New York, Heard over Whole Continent." However, it was scarcely in prime time, being scheduled from 12 noon to 1 o'clock on a Friday.

38 / *Evening Telegram*: "Star Failed in Attempt to Hook-up with NBC; R. W. Ashcroft of CKGW Tells Why CFCR Now Opposes American Programs" (Feb. 10, 1930); "Urges Pen and Ink Weapons against Government Broadcasting; I. E. Robertson Warns against Bringing Radio into Politics in CKGW Speech" (Feb. 25, 1930).

39 / *Debates*, April 28, 1930, p. 1503.

I believe in the free use of the air as far as radio is concerned, by responsible bodies or companies, and I do not believe that any body of men is qualified or justified in taking control of the air for radio purposes. ...

I am assuming that if the Government can be assured that a sufficient number of responsible bodies and corporations maintains a high standard of entertainment in their broadcastings over the air, the Government will not be so anxious to completely control all broadcastings, as has been suggested.

Beatty announced the CPR's decision to embark on extensive use of the air for advertising purposes as an example to other corporations, and so that the government might realize, from the quality of the entertainment provided, that there was no need for government control.⁴⁰

Aird sent this clipping to Manson, and was obviously worried. Manson wrote a long reply the next day, going over a number of familiar arguments for public broadcasting, as if to say, "Courage!" His own view was that the CPR was getting into broadcasting "as a political expedient for the purpose of opposing the Commission's Report." Meanwhile, he kept sending reports that the radio bill was expected to be introduced into the House any day. The minister was away in Atlantic City for a time, and this was perhaps one reason for the delay.⁴¹

It was now the last week of March. The prime minister had actually decided in mid-February that he would call a 1930 election, and he had informed his cabinet colleagues of his decision the third week of March.⁴² There was now no intention of proceeding with the bill; but some move had to be made for the sake of appearances. On April 8, the report of the royal commission was referred to a special committee of twenty members, whose chairman, it was reported, would be J. L. Ilsley. The committee never met. On May 30, just before the dissolution of the House, a UFA member, E. J. Garland, protested the government's inaction. Mr. Cardin explained that because of the agitation throughout the country, and the number of protests received, the government had decided to submit the report to a special committee. But with an election in the offing, the committee could not deal with the report satisfactorily. He promised that if any new station licences were granted before Parliament met again, it would be on the "distinct understanding that no claim will lie against the government should it be decided to nationalize radio broadcasting."⁴³

One is curious to know how, in its draft bill, the government filled in

40 / *Evening Telegram*, March 20, 1930.

41 / PAC., Manson to Aird, March 21 and 28, 1930.

42 / H. B. Neatby, *William Lyon Mackenzie King*, vol. II (Toronto, 1963), pp. 322-3.

43 / *Debates*, May 30, 1930, p. 2918.

those places where the Aird Report was silent or ambiguous. Although no copy of the draft bill survives, there is a record of notes prepared to assist the minister in discussing the bill in committee.⁴⁴ The bill, drafted in nineteen sections, followed the commission recommendations closely in its main features: a Canadian Radio Broadcasting Company to be established, with twelve directors, each provincial director deciding upon the programs over the stations of his province; an advisory council for each province; the company's revenue to come from licence fees, advertising revenue, and an annual federal subsidy of \$1,000,000 for five years.

Additionally, the draft bill provided that the company should have a chief executive or general manager on whom "will depend the success of this national broadcasting service," to be chosen and appointed by the governor in council (section 9). The head office might be located in Ottawa or Montreal or Toronto, as the governor in council should decide (section 10). By-laws governing the internal organizations of the company were to be recommended by the directors but approved by governor in council (section 11). The purchase of real property was to be first approved by the governor in council (section 13). All these provisions would have strengthened the authority of the federal government in relation to the proposed company.

Three of the twelve company directors were to be direct appointees of the federal government. The other nine directors were to be nominated by the lieutenant governor of each province, but appointed by the governor in council (a procedure used in appointing judges of the Juvenile Court). Providing the provinces agreed to the appointment procedure, the chairman of the company might be any of the twelve directors (sections 3 and 5).

The company's books were to be audited "as if it were a private enterprise"; it could use all funds as it wished, as either capital or revenue; and it was to have the power to borrow the amount required for capital expenditures (\$3,500,000) "without restriction from any Government Department." The annual subsidy of \$1,000,000 was to be made by the minister of finance "to obviate the difficulty which the Minister of Marine and Fisheries would face each year if he were required to ask for this amount in the estimates." The minister of marine retained authority for licensing stations.

The bill also provided that the twelve directors of the company were to receive remuneration from the general revenues of the company, but

44 / PAC., "Explanatory Remarks re Bill. An Act to incorporate the Canadian Radio Broadcasting Company."

the notes do not indicate the proposed scale of remuneration. The company's annual report was to be made available "for the information of Parliament."

From these provisions it is evident that the federal government intended to dominate the determination of major policy; but that provincial decentralization, as recommended by the Aird Report, was not abandoned. The proposed company would have had more financial independence, and certainly more financial resources, than the Canadian Radio Broadcasting Commission had when it was established three years later. The company's provincial bases of support, including the advisory committees, should have given it considerable strength in negotiating those matters on which federal-government approval was required. However, the administrative plan may not have been workable, with the provincial directors owing a double loyalty, and a general manager whose appointment and tenure (presumably) was determined by the government.

Introduction of the bill would undoubtedly have produced some lively political controversy. Instead, all efforts went into the election campaign.

4 NATIONALIZATION

1 *The New Government*

Both Liberals and Conservatives used radio extensively in the 1930 election campaign, but broadcasting itself did not become an issue. Each of the two stations that had led the fight against the Aird proposals identified itself with one of the parties: CKGW in Toronto with the Conservatives, and CKAC in Montreal with the Liberals. After the somewhat unexpected victory of R. B. Bennett and the Conservatives, no one knew what the Conservative policy on broadcasting would be; but those on the left probably agreed with Professor Frank Underhill who wrote in the *Canadian Forum*: "The CPR wants to construct a chain of high-power broadcasting stations of its own, and so there is no need to ask where the Conservative party stands on the question of public versus private broadcasting. But where does the Liberal party stand?"¹

Prime Minister Bennett, a former CPR solicitor, was a personal friend of E. W. Beatty, the railway president, and supporters of the Aird plan feared the worst. The first test was on the question of licensing more private stations. To deal with problems of trade and unemployment, a special session of Parliament was called six weeks after the election. On the second day of the session (September 9, 1930), J. S. Woodsworth asked whether the former radio policy of the Department of Marine would be followed. The new minister, Alfred Duranleau, replied that he would probably continue deferring applications for new stations; or if the applications for licences were granted, all new stations would be warned that they might later be expropriated.²

Quite a backlog of applications were on file in the Department of Marine, including applications from the CPR. Indeed, earlier in the year, Manson had written Aird that over two hundred applications were on file. Whatever legal reservations the department might make, the issue

1 / F.H.U., "O Canada," *Canadian Forum*, Aug. 1930, p. 400.

2 / *Debates*, Sept. 9, 1930, p. 14.

of granting further licences to private stations had become crucial since each additional licence would make it harder to implement the Aird Report. It was on this point that a newly formed organization, the Canadian Radio League, made its first representation.

2 *The Canadian Radio League*

The Canadian Radio League was formed on the initiative of two young men in Ottawa, Graham Spry and Alan Plaunt, in October 1930.

Spry, then thirty years of age, was national secretary of the Association of Canadian Clubs, a post he had assumed in 1926 on returning to Canada after attending Oxford and working for the ILO in Geneva. Soon after his return he had been asked to prepare a memorandum on the celebration of the sixtieth anniversary of Confederation in 1927, and in it he made the concrete suggestion for the first national hook-up.³ It was in this broadcast that the voices of the prime minister and the governor general were carried across the country for the first time. In his work with the Canadian Clubs, Spry made the acquaintance of leading citizens in the principal communities across Canada, and he was active also in other organizations such as the newly founded Canadian Institute of International Affairs. Spry was impressed with the opportunities broadcasting presented for Canada, but dissatisfied with conditions as they were; he expressed apprehension that Canadian stations were becoming "more and more allied to the American system, with its American ideals, advertising and cheap programmes."⁴

Plaunt was twenty-six years old and a native of Ottawa who had studied at Toronto and Oxford. He had done some work with Charles Bowman, and when Spry proposed in the summer of 1930 that together they found a league to advance the general principles of the Aird Report, Plaunt responded with alacrity. On October 5 they met with a few others at Plaunt's home, and plans were laid for the Canadian Radio League. Spry became chairman of the executive committee; and Plaunt, who had private means, offered to give his full time as honorary secretary. For an

3 / D. C. McArthur recorded interview with Graham Spry, Oct. 1963; CBC program archives, Toronto.

4 / Letter from Spry to W. D. Herridge, Oct. 15, 1930; quoted in dissertation by J. E. O'Brien, "A History of the Canadian Radio League, 1930-1936" (University of Southern California, 1964), p. 77, and hereafter cited as O'Brien. Much of the material in this chapter is drawn from Father O'Brien's thesis, which is based largely on the Alan Plaunt Papers at the University of British Columbia Library.

executive committee it was planned to recruit young people who would do the actual work; and for the much larger national council, well-known citizens across the country to provide moral support and assistance when needed. Among those who were most active as members of the executive were Brooke Claxton and Georges Pelletier of Montreal; Father Henri St. Denis (Ottawa University), K. A. Greene (president, Ottawa Canadian Club) and J. A. McIsaac (secretary of the Canadian Legion) in Ottawa; R. K. Finlayson, a Conservative lawyer in Winnipeg whom Spry knew while they were students at the University of Manitoba; E. A. Corbett (director of university extension) in Edmonton; Norman Smith (United Farmers of Alberta) in Calgary; A. E. Grauer in Vancouver; and E. Hume Blake in Toronto.

While organization was proceeding, Spry sent off a letter to W. D. Herridge, with whom he had been associated in the work of the Canadian League, an organization which a few years before had promoted the study of national topics in various Canadian cities. Herridge was in London as a member of the Canadian delegation to the Imperial Conference; he was one of Bennett's closest advisers, and the next year became his brother-in-law. In his letter, Spry sketched plans for the league and expressed the hope that Herridge would interest the prime minister in the question of Canadian broadcasting: "To create a radio broadcasting system which can draw the different parts of Canada together, which can use the air not only for indirect advertising but more essentially for educational and public purposes is one, I am sure, in which the Prime Minister will be instantly interested." One of Spry's objectives was immediately achieved; for two weeks later Bennett cabled to Ottawa that "under no circumstances were any licenses to be granted at the present time."⁵

Plaunt had access to Bowman's personal files and the files of the Royal Commission; he and Spry studied this material in the next few months and prepared two pamphlets describing the Canadian Radio League and setting forth its objectives in some detail.⁶ The later pamphlet was translated into French by Georges Pelletier, managing director of *Le Devoir*, and some thousands of the pamphlets were distributed. The principal arguments and proposals were similar to those in the Aird Report and in the Bowman editorials of December 1929. The pamphlet listed the newspapers and organizations supporting the objective of a

5 / Plaunt to Prof. G. Wrong, Nov. 4, 1930; O'Brien, p. 79.

6 / *Canadian Radio for Canadians - The Canadian Radio League* (Oct. 1930); *The Canadian Radio League* (Jan. 1931). The second pamphlet was revised slightly and reissued in March 1931 and in June 1931.

national broadcasting service; and also the very impressive roster of business men, university presidents, and heads of national organizations who had agreed to join the league's national council.⁷

Two substantial modifications were made to the Aird Commission recommendations. The league proposed that "programmes of provincial utility" should be supervised by a provincial director and advisory council; the inference was that the provincial director would not have "full control" of *all* programs broadcast in his area, as the commission had stipulated. Indeed, in all its presentations, the league emphasized national program control more clearly than the Aird Report had done. Further, the league suggested that local needs should be met by "small, short-range local radio broadcasting stations." While the league emphasized a "single national system," there was at least the possibility that the small, local stations might be privately owned.⁸

To meet the objections to "government radio," or political control, the league insisted that the national company conducting broadcasting must not be a government department, but should be "vested with powers of private enterprise and functions of the public utility." And because of the changed economic conditions since the Aird Report, the pamphlet suggested a less ambitious plan for constructing stations, lessening the need for a subsidy from consolidated revenue. The pamphlet emphasized that the league's plan in no way undermined provincial rights, and that the element of competition among advertisers would be maintained.

Spry and Plaunt were extremely energetic in keeping communications flowing from their office on Wellington Street; in enlisting newspaper support; in urging organizations to pass resolutions favouring a publicly owned broadcasting service; and in providing news stories to the press. Realizing the necessity of gaining support in French Canada, they went

7 / The names of prominent citizens in many cities were collected very quickly, because of Spry's extensive connections through the organizations in which he was active; and because of the skill of both men in enlisting the co-operation of friends and associates. For example, N. W. Rowell, former minister in the federal government and head of a trust company in Toronto, assisted Plaunt in communicating with other members of the financial community.

8 / *The Canadian Radio League*, Jan. 1931, pp. 14 and 23. In the first few months of the league's existence, Spry's articles suggested that he agreed with the Aird Commission that a publicly owned company should buy all private stations, and "own, operate and control all broadcasting in Canada" (Spry, "The Canadian Broadcasting Issue," *Canadian Forum*, April 1931, p. 247; "Should Radio Be Nationalized in Canada?" *Saturday Night*, Jan. 24, 1931, p. 2). By 1932, however, the league was clearly advocating that the low-powered stations should be locally owned and locally programmed, whether they were "operated commercially, by amateurs, or by some civic authority."

to Montreal to meet Augustin Frigon; Georges Pelletier of *Le Devoir*; Victor Doré, president-general of the Montreal School Board; Canon Emile Chartier, vice-rector of the University of Montreal; and Dr. Edouard Montpetit, secretary-general of the University. All of these offered their support. Louis St. Laurent of Quebec, president of the Canadian Bar Association, joined the league's national council, his letter of invitation having been forwarded through the Hon. Newton Rowell. The editor of the newspaper in Chicoutimi, Eugène L'Heureux, joined the executive committee.

Among publishers, the Southam family supported the league financially, as did Joseph Atkinson of the *Toronto Star*.⁹ The Sifton newspapers in western Canada, and especially the Winnipeg editor, J. W. Daffoe, were friendly to the league. Spry estimated that 70 of the 80 Canadian newspapers gave editorial support. The league's chief journalistic opponents were *La Presse* in Montreal; the *Telegram*, the *Globe*, and the *Financial Post* in Toronto; and the *Edmonton Journal*, which owned a radio station. The *Journal* was a Southam paper, but its publisher disagreed with the views of the Southam family on broadcasting.¹⁰

La Presse ran another series of articles and editorials "en garde contre l'étatisation de la radio" (see chap. III, p. 52) arguing that the government must not concern itself with broadcasting when so many things were more pressing; that nationalization would threaten provincial prerogatives; and that the Radio League was an English-Canadian organization trying to further the "melting pot" idea. Station CKGW and the *Telegram* suggested that the costs of nationalized radio would require a licence fee of \$30.00 rather than \$3.00. They asked listeners to protest to their members of parliament against "Civil Service radio"; and behind the scenes they reminded Conservative leaders of the service rendered in the last election by radio station and newspaper.¹¹

The first formal meeting of the Radio League executive committee was held on December 8, 1930. The press release, prepared in advance, was carried in full by the *Ottawa Citizen*; and the next day Plaunt sent letters to several members of the cabinet outlining the purposes of the

9 / Spry wrote E. A. Corbett that the Southam family were of "enormous help to the Radio League and were assisting the League financially even though as a Corporation they wished to establish stations of their own and had put in applications" (Dec. 3, 1930); quoted in O'Brien, p. 103.

10 / For a list of daily newspapers opposing and favouring public ownership of radio stations, see below, p. 77.

11 / Margaret Prang, "The Origins of Public Broadcasting in Canada," *Canadian Historical Review*, XLVI (March 1965), 16; hereafter cited as Prang.

league, and indicating that it hoped later to send a delegation to the prime minister with specific proposals on broadcasting. Plaunt added an assurance that the league was "an independent and disinterested body, representing Canadian opinion on the subject of broadcasting, and wished in no way to embarrass the government but rather to assist the government in the consideration of this vital public question."¹² This was followed early in the new year by a letter to all members of parliament, enclosing a copy of the new pamphlet. There were also a number of informal contacts with members of the government, of the kind that the small capital city of Ottawa afforded. Assurances of sympathy for their general aims were received from several ministers, including Dr. Manion, the minister of railways; Sir George Perley, acting prime minister during Bennett's absence; and Edgar Rhodes, the minister of fisheries. Spry also took advantage of the friendship which his family had had in Calgary with Mr. Bennett to draw the activities of the league to the prime minister's attention.

On January 9, 1931, the league sent a formal delegation to meet the minister of marine. The delegation was pleased with the reception given them; and four days later letters were sent to eighteen members of the cabinet, summarizing the support which the league had received from newspapers, women's organizations, labour and farm groups, churches, educational institutions, and business men. The president of the Trades and Labor Congress, Tom Moore, was a member of the Radio League delegation. Two weeks later, when he led his own delegation for their annual meeting with the prime minister, he reiterated the stand of the Trades and Labor Congress in support of public broadcasting. Bennett assured the delegation that the cabinet had the matter of broadcasting under consideration, and that legislation would be presented in the session which was to open shortly.

The *Financial Post*, while editorially deploring the evidence of the "spread of paternalism," noted in its news columns that the government was drifting toward acceptance of the principles found in the Aird Report. The explanation for this lay "in the fact that a steady, disinterested, influential lobby" was in progress: the Aird Report had "powerful friends from one end of the country to the other," and a constant pressure had been exerted on ministers and private members. The report added that a national association had been formed, "and the membership fairly exudes names of respectable citizens ... with nationwide reputations."¹³ Clearly, the reporter had been talking to Spry or Plaunt.

12 / Quoted in O'Brien, p. 120.

13 / *Financial Post*, Nov. 13, 1930.

But before the federal government had a chance to show what policy it had arrived at, a new source of opposition to the league's proposals revealed itself. This lay in the Quebec government, and the constitutional challenge thrown out to the federal authority.

3 *The Contest for Jurisdiction*

Quebec's decision to challenge the federal government's jurisdiction in radio matters grew out of a program arrangement it had made with the *La Presse* station, CKAC. It will be recalled that at the time of the Aird Report, Quebec and New Brunswick had taken care to reserve their right to assert at least concurrent jurisdiction. With a Conservative government in office in Ottawa, and a report that nationalization of broadcasting under the federal authority might be in the offing, Premier Taschereau's Liberal administration decided to take the initiative.

In 1929 the Quebec legislature had passed a Radio Broadcasting Act authorizing the government to establish a broadcasting station or to make arrangements with existing stations to carry programs prepared by the government.¹⁴ In December, the minister of lands and forests made an arrangement to broadcast "L'Heure Provinciale" twice a week over CKAC. A year later, the provincial government sought to extend the broadcasts to Quebec City, making use of station CKCV. But this station, sharing a channel with its rival, CHRC, and a phantom station operated by the CNR, did not have the hours assigned to it which would permit it to broadcast the provincial program at the times in which the program originated in Montreal. After some unsuccessful negotiations between CKCV and the Department of Marine in Ottawa, Premier Taschereau wrote the minister of marine (Mr. Duranleau) that the Quebec government was going to press its claim to jurisdiction over broadcasting. A draft bill would be prepared and submitted to the Quebec Court of Appeal as a reference on this question. Taschereau's letter added that provincial control of radio would result in programs better suited to the mentality and taste of the Quebec people.¹⁵

Taschereau claimed that the federal government had in fact reduced the hours available to station CKCV, which was being discriminated against for political reasons. Duranleau denied this, and in turn charged

14 / The Radio Broadcasting Act, 1929, 3 Revised Statutes of Quebec, 1941, c.254.

15 / House of Commons, Sessional Paper, no. 231, May 18, 1931; letter from L. A. Taschereau to Alfred Duranleau, Jan. 27, 1931.

that Taschereau was politically motivated, adding for good measure that CKCV had always favoured the Liberals. He argued that the Quebec legislation with its proposed reduction of the licence fee to 25 cents was but a "political manoeuvre." The provincial control of broadcasting would be a menace to liberty of speech, and Duranleau informed Taschereau that the minister of justice had decided to submit the question of jurisdiction to the Supreme Court of Canada for its opinion.¹⁶ Taschereau suspended proceedings before the Quebec Court of Appeal, and prepared to have his case argued before the Supreme Court.¹⁷ On April 4, 1931, the lieutenant governor's assent was given to a complete radio licensing statute for Quebec.¹⁸

La Presse welcomed the move of the Quebec government in claiming radio jurisdiction; it said that nationalization would drastically reduce the number of French-language programs; that in this respect the present system of ownership best served the people; and that the government of Quebec knew this, and it was one of the chief motives which made it determined to intervene in the radio question.¹⁹ The prospect of prolonged litigation placed the Canadian Radio League in an awkward dilemma: should it continue its publicity campaign during the months to come, and should it seek representation in the hearings before the Supreme Court? It decided to do both.

When the Quebec government announced that it was going to fight for provincial radio jurisdiction, Brooke Claxton, a Montreal lawyer and member of the league's executive committee, wrote Spry: "Whether or not this will hurt or benefit your cause depends on Bennett's attitude. If he fights Taschereau, it is probable that you will have won, but if he confers with Taschereau and by agreement works out some compromise, you will probably lose."²⁰

The federal government's reference to the Supreme Court was made on February 17, 1931. The Radio League, fearing that it might alienate French-Canadian supporters, made indirect inquiries as to whether the province of Alberta might intervene in support of the Dominion. When they received no positive reply, the league applied to be represented by legal counsel and to file a *factum*.²¹

At the supreme court hearings of May 6 and May 17, the provinces

16 / *Ibid.*, Duranleau to Taschereau, Feb. 6 and 20, 1931.

17 / *Ibid.*, Taschereau to Duranleau, Feb. 28, 1931.

18 / Quebec Radio Act, 1931, 21 Geo. v, c.36 (PQ); repealed on Nov. 12, 1936 (1 Edw. VIII, c.19, PQ), without ever having been proclaimed operative.

19 / *La Presse*, April 14, 1931.

20 / Claxton to Spry, Jan. 23, 1931; quoted in O'Brien, p. 164.

21 / O'Brien, pp. 218-9.

of Quebec, New Brunswick, Manitoba and Saskatchewan; the dominion government, and the Canadian Radio League were represented. Quebec claimed that broadcasting fell within subsections 13 and 16 of section 92 of the British North America Act – that is, under “property and civil rights” and “matters of a merely local or private nature in the province.”

Brooke Claxton presented the Radio League’s factum, which he had prepared with the assistance of Spry. The arguments of the league and of the dominion government claimed that broadcasting was by its very nature an interprovincial matter; that it was also a matter requiring international agreement; that wrongly used, it could menace the national life of Canada; and that it was an undertaking of the same class as steamships, railways, and telegraphs.

The supreme court handed down its opinion on June 30, 1931, splitting 3 to 2. The majority held that dominion jurisdiction could be found in section 92 (10) (a) of the BNA Act, which gives the federal government power to control telegraphs and other works and undertakings connecting provinces or extending beyond the limits of a province.²²

Quebec appealed to the Judicial Committee of the Privy Council, and was supported by Ontario. Because so many decisions of the Privy Council had strengthened the jurisdiction of the provinces, this was regarded as a most crucial case. Spry urged that the Radio League should somehow find the funds to intervene once more in support of the Dominion. As he wrote John Dafoe in Winnipeg, they should attempt “to get the Privy Council to take a broader view of the general provisions of the B.N.A. Act ... to weaken the aggression of the provinces.” Claxton offered to waive legal fees, proclaiming his desire to strike a blow “not only at the provincial claims in this case, but at the whole provincial position as crystallized by Lord Watson and Viscount Haldane,” and thus to “strengthen Confederation.”²³

The Radio League executive, divided on the question of sending Claxton to London, decided to consult Georges Pelletier and Louis St. Laurent, both of whom advised them to go ahead. A special fund was collected to pay Claxton’s expenses: Spry sold some bonds to raise the money for the fare, Plaunt also contributed, and four other supporters gave smaller amounts.

The Privy Council heard the appeal in December, at which time Quebec was supported only by Ontario, and on February 9, 1932, Viscount

22 / “In the Matter of a Reference as to the Jurisdiction of Parliament to Regulate and Control Radio Communication,” SCR 541 (1931); 4 DLR at 865.

23 / Claxton to Spry, May 14, 1931; quoted in Prang, p. 25.

Dunedin delivered judgment.²⁴ The Judicial Committee held that power to legislate in this field, since it was not mentioned explicitly in either section 91 or 92, fell within the dominion government's power to make laws "for the Peace, Order and good Government of Canada." It agreed with Quebec's contention that the International Radio Convention of 1927 was not a treaty as defined in section 132 of the BNA Act, but "their Lordships think that it comes to the same thing." To prevent individuals from violating this convention, it was necessary that the Dominion should pass legislation that would apply to all Canadian residents. The judgment added: "Although the question had obviously to be decided upon the terms of the statute, it is a matter of congratulation that the result arrived at seems consonant with common sense. A divided control between transmitter and receiver could only lead to confusion and inefficiency." With the constitutional challenge from Quebec turned back, the next move was up to Ottawa.

4 *Continuing Agitation*

During the year of the legal battle, both the Radio League and their opponents remained active in the effort to influence public opinion as well as the government. In March 1931, Spry accurately summed up the nature of his opposition:

The opposition to a Canadian Radio Broadcasting Company is now coming from three sources, one, R. W. Ashcroft and the private station owners, publicly; two, from the American radio group by quiet methods and by visitors appearing in Toronto and Montreal to praise the American system and damn the British; three, from the Canadian Pacific Railway through newspapers, and radio papers circulating in Canada, under its influence, through the Canadian Broadcasters Association, through quiet methods known to them but becoming obvious to us; and through the personal intervention of E. W. Beatty by conversation with our people and by correspondence. These three forces are, as you may imagine, quite formidable and perhaps the most immediately dangerous is the CPR.²⁵

The league had been told by W. M. Birks of Montreal that Beatty had tried to persuade him and some others to withdraw from the national council. The CPR was co-operating with a group of stations in providing

24 / "Re Regulation and Control of Radio Communication" (1932), 2 DLR, pp. 83, 84, 88; AC, pp. 312, 313, 317.

25 / Spry to George Ferguson of the *Manitoba Free Press*, March 2, 1931; quoted in O'Brien, p. 195.

facilities for a series of university programs emanating from McGill; and the attention of Bennett was drawn to this public service.²⁶ E. A. Corbett reported from Edmonton that the offices of the railway company "feel quite sure that the future of radio in Canada will be largely in the hands of the C.P.R."²⁷

The general publicity manager for the CPR, John Murray Gibbon, undertook to refute the arguments of the league. Writing early in 1931, he charged that the BBC, which was the Radio League's ideal, was far from popular in Britain. He maintained that, in Canada, government radio would require a huge subsidy to compete with United States entertainment, and that government monopoly would result in the choosing of talent by political patronage. The virtue of the present system was that radio entertainment was governed by the rules of demand and supply. If anyone set out to eliminate advertising from the air, he would deprive more than half the population of what they wanted merely to provide "intellectual solace for few." Gibbon commended a plan put forward by R. W. Ashcroft of CKGW: a plan for two networks, one privately owned, the other operated with government support. It would be the government network's responsibility to carry the educational and "uplift" programs. Gibbon was convinced that this network would reach only ten per cent of those listeners who followed the sponsored programs on the commercial network.

Gibbon's article appeared in the *Canadian Forum*. The next month, Spry replied in the same magazine.²⁸ He argued that radio must not be subordinated to narrow advertising purposes, but must be allowed to develop its fullest potential as an agency of communication: "Here is an agency which may be the final means of giving Canada a national opinion, of providing a basis for public thought on a national basis, such as provincial school systems, local newspapers, theatres, motion pictures, and even our parliamentary system ... have yet to give us." It could be the "greatest Canadianizing instrument to our hands," but as a cultural influence, it was equally important. Every Canadian listener could hear American programs, but only three out of every five Canadian families could hear Canadian programs. The proposal endorsed by Mr. Gibbon would double Canadian broadcasting overhead, and by creating deficits in the public system, "leave the public holding the bag."

The Radio League arranged for the BBC to get a copy of Gibbon's

26 / Prang, p. 23.

27 / Corbett to Plaunt, Sept. 2, 1931, referring to a conversation with J. Murray Gibbon of the CPR; O'Brien, p. 230.

28 / J. M. Gibbon, "Radio as a Fine Art," *Canadian Forum*, March 1931, pp. 212-4; G. Spry, "The Canadian Broadcasting Issue," April 1931, pp. 246-9.

article as soon as it was published. A BBC spokesman (almost certainly Gladstone Murray) described the article as “a unique combination of inaccuracy and malevolence.” The BBC asked the CPR for an explanation, and receiving no reply threatened to refer the matter to the British House of Commons. The CPR “produced the lame explanation that Gibbon had written his article in his capacity as past president of the Canadian Authors’ Association and that his views were his own, not those of the company.”²⁹

In February 1931, the Canadian Association of Broadcasters met behind closed doors to consider their situation. Two decisions were made. The first was to recommend to their member stations that all advertising be excluded from Canadian programs broadcast on Sunday; and that on week-day programs after seven pm, the amount of advertising should not exceed five per cent of the program time.³⁰ The second decision was to issue a pamphlet putting forward the case of the private broadcasters. To prepare the pamphlet, a committee was appointed consisting of J. O. Apps, general executive assistant of the CPR; R. W. Ashcroft; and J. A. Dupont of the *La Presse* station. The resulting pamphlet bore the title, “Radio Broadcasting Under Private Enterprise.” It listed a number of large Canadian companies, sponsors of radio programs, who had “expressed themselves as being in favour of Radio Broadcasting by Private Owners of Stations.” The list included Imperial Tobacco, Robert Simpson Company, Swift Canadian, Quaker Oats, the Borden Company, the Pepsodent Company, Dominion Stores, Philco, Canadian National Carbon Company, Rogers-Majestic, Canadian Canners Limited, and William Wrigley Jr. Company, as well as a number of advertising agencies. Before the pamphlet came off the press, several stations, including those of the CNR and the Manitoba government, withdrew from the association.³¹

To counter the activity of the Canadian Association of Broadcasters, and particularly to encourage newspaper supporters to take a more aggressive stand, Spry and Plaunt decided to prepare a pamphlet entitled “Radio Advertising – A Menace to the Newspaper and a Burden to the Public.” Bowman was scheduled to deliver an address on radio at the annual meeting of the Canadian Daily Newspapers Association in Toronto. Spry attended, and after Bowman’s address, the pamphlet was distributed. This association agreed to form a joint committee with The

29 / Prang, p. 24.

30 / *Canadian Annual Review*, 1930–1, p. 437; 1932 Special Committee on Radio Broadcasting, *Proceedings*, p. 272.

31 / O’Brien, pp. 201–2.

Canadian Press to "study radio and its relations with newspapers and suggest solutions of many difficulties that may appear."³² Claxton and one or two other supporters of the Radio League did not approve of this move on the part of Spry and Plaunt; they felt that the league should not associate itself with the newspapers' concern for advertising revenues.

At the end of 1931, it was possible to draw up a balance sheet showing the support which each side enjoyed. The press was predominantly in favour of a publicly owned broadcasting system, the chief exceptions being among newspapers that owned stations or those that had formed a close association with a station. Educational leaders were nearly unanimous in supporting a public system, and their principal national organizations, the Universities' Conference and the Royal Society of Canada, were on record to this effect. Many university presidents were on the national council of the Radio League. The moderator of the United Church of Canada was a member of the national council; and the league had statements of support from the hierarchy of the Roman Catholic Church and from the Anglican Primate. The principal women's organizations were supporters of the league: the National Council of Women, the IODE, the Federated Women's Institutes, and Hadassah of Canada. The Canadian Legion and the Native Sons of Canada had been supporters of public broadcasting since the Aird Commission hearings.

There was no national farm organization in 1931, but resolutions in favour of a national radio system were passed by the United Farmers of Alberta and the United Farmers of Canada, Saskatchewan Section. The United Farmers of Alberta was a political party as well as an interest group, dominating both the provincial legislature and Alberta's representation at Ottawa. Both of the national labour organizations, the Trades and Labor Congress and the All-Canadian Congress of Labour, were active in passing resolutions and making representations to the government on behalf of a publicly owned and operated system.

Business interests were divided. The Canadian Manufacturers' Association continued to support the stand of its radio trades group in favour of private ownership and operation of stations, under a form of government supervision, and with the possible assistance of public subsidies. The largest Canadian private company, the CPR, was evolving a plan of its own. The Canadian Chamber of Commerce was too divided to take an official position;³³ but two of its past presidents were on the

32 / Canadian Daily Newspaper Publishers Association, *A History of Canadian Journalism*, II (Toronto, 1959), p. 208; *Toronto Daily Star*, April 30, 1931.

33 / Prang, p. 17, citing a letter from the president of the Canadian Chamber of Commerce to Plaunt, March 11, 1932. A survey showed that (with 128 replies)

national council of the Radio League: Col. J. H. Woods, publisher of the *Calgary Herald*, and W. M. Birks of Montreal. The financial community was well represented on the league's national council by presidents or other highly placed officers of the Royal Bank of Canada, the Canadian Bank of Commerce, the Bank of Nova Scotia, the Imperial Bank of Canada, Toronto General Trusts, the Northern Life Assurance Company, and the firm of Osler, Hammond and Nanton.

Politically, the league had the backing of both prominent Conservatives and Liberals. At the second meeting of the league's executive committee, Leon Ladner (a former Conservative member of parliament from Vancouver) reported that the chairman of the British Columbia group was Gen. Odium, a Liberal; the vice-chairman was Robbie Reid, a Conservative; and the co-ordinator of publicity was Ralph Campney (who later became a Liberal member of parliament and cabinet minister). The campaign in British Columbia had the support of both the *Vancouver Province* (Conservative) and the *Vancouver Sun* (Liberal) – in spite of the fact that the *Province* owned a small station. Although the league tried to remain non-partisan, Spry wrote to a friend in March 1932 that one of the undercurrents working against the league was that “most of these people are strong Liberals and the Conservatives should be careful to avoid tying themselves in with what may be a Liberal policy.”³⁴ It is true that a number of the most faithful supporters were Liberals: Brooke Claxton, Vincent Massey, John Daffoe, Charles Bowman, Joseph Atkinson, Senator Cairine Wilson, and Louis St. Laurent. On the other hand, Spry maintained very close relations with a few key Conservatives, especially W. D. Herridge and R. K. Finlayson, a Winnipeg lawyer who came to Ottawa in 1932 to become the prime minister's personal assistant.

From a thirty-year perspective, can we assess the part played by the Canadian Radio League in creating an opinion favourable to the establishment of a publicly owned broadcasting system in Canada? Professor Margaret Prang's study concludes that “the Radio League did not create the national sentiment it expressed, but it was highly effective in focusing that sentiment on the broadcasting issue. ... The radio policy of the 1930's was proof that Canadians had created a national identity and were prepared to use a new medium of communication to protect and nourish it.”³⁵

67 local chambers of commerce indicated that they were in favour of the essential features of the Aird Report; 44 were opposed; 17 were non-committal (1932 Special Committee on Radio Broadcasting, *Proceedings*, p. 603).

34 / Spry to Hume Blake, March 16, 1932; quoted in O'Brien, p. 272.

35 / Prang, p. 31.

TABLE II

EDITORIAL POSITION OF NEWSPAPERS ON BROADCASTING, 1931

Opposed to Public Ownership and Operation of Stations:

* <i>Calgary Albertan</i>	<i>Toronto Globe</i>
* <i>Edmonton Journal</i>	<i>Toronto Telegram</i>
<i>Brandon Sun</i>	* <i>Montreal La Presse</i>
* <i>London Free Press</i>	* <i>Halifax Herald</i>

**Favouring a publicly owned national system:

<i>Victoria Daily Times</i>	<i>Toronto Mail and Empire</i>
* <i>Vancouver Province</i>	* <i>Toronto Daily Star</i>
<i>Vancouver Sun</i>	<i>Ottawa Citizen</i>
	<i>Ottawa Journal</i>
* <i>Calgary Daily Herald</i>	<i>Ottawa Le Droit</i>
<i>Edmonton Bulletin</i>	
<i>Lethbridge Herald</i>	<i>Montreal Gazette</i>
	<i>Montreal La Patrie</i>
<i>Saskatoon Star-Phoenix</i>	<i>Montreal Le Devoir</i>
<i>Prince Albert Herald</i>	<i>Chicoutimi Progres du Saguenay</i>
	<i>Quebec Chronicle-Telegraph</i>
<i>Winnipeg Free Press</i>	<i>Quebec L'Événement</i>
<i>Winnipeg Tribune</i>	<i>Quebec Le Soleil</i>
<i>Windsor Border Cities Star</i>	<i>Moncton Transcript</i>
<i>Hamilton Herald</i>	
* <i>Hamilton Spectator</i>	<i>Halifax Chronicle</i>

*Newspapers that owned stations.

**Information taken from Canadian Radio League booklet published in 1931. The Regina *Leader-Post*, a Sifton paper, was also listed; but a representative of its station, CKCK, denied in 1932 that the paper supported a publicly owned system (1932 Radio Committee *Proceedings*, p. 690). In the 1932 hearings, the Radio League claimed the support of a score of other dailies, including the *Moose Jaw Times-Herald*, the *Fort William Times-Journal*, the *St. Catharines Standard*, the *Brantford Expositor*, the *Peterborough Examiner*, the *Kingston Whig-Standard*, the *Three Rivers Nouvelliste*, and the *Charlottetown Guardian*. The *Montreal Star* was substituted for the *Montreal Gazette*.

But this is in retrospect. At the beginning of 1932, the government had still to announce a policy. With a decision from the Privy Council expected at any time, the Radio League called an executive meeting for January 29, following it with a delegation to the minister of marine four days later. The minister gave an assurance that the government would take action as soon as the Privy Council rendered its decision on radio jurisdiction.

It was now nearly four years since the previous minister of marine, P. J. A. Cardin, had said, "A change must be made in the broadcasting situation in Canada."

5 *The 1932 Radio Committee*

Prime Minister Bennett responded very quickly to the Privy Council decision that the federal government had jurisdiction over broadcasting. One week after the decision was handed down, Bennett proposed that a special committee of the House of Commons be set up "to advise and recommend a complete technical scheme of radio broadcasting for Canada." He said all would agree that the existing system was unsatisfactory. Properly employed, broadcasting could be "a most effective instrument in nation building, with an educational value difficult to estimate." The committee would be able to make use of the "very helpful information" contained in the Aird Report.³⁰

Two weeks later (at the end of February 1932), the government raised the radio licence fee from \$1.00 to \$2.00. This figure was a dollar less than the Aird Committee had recommended; and the limited revenue that could be expected from it imposed a measure of rigidity on plans for a new broadcasting system.

On March 2 the composition of the radio-broadcasting committee was announced. There were only nine members, five Conservatives, three Liberals, and one representative from the UFA. The opposition members were thought to be friendly to the Aird recommendations: P. J. A. Cardin, who had been the minister of marine in the previous Government; W. D. Euler, the former minister of national revenue; J. L. Ilsley, who would have been chairman of the radio committee in 1930, if it had met; and E. J. Garland, the able member for Bow River, who shared the view of the United Farmers organization that the radio system should be publicly owned. The views of the Conservative members were not known, but considering Bennett's reputation for dominating his cabinet and the parliamentary party, perhaps his attitude would be the deciding factor. If he had not made up his mind, the four Conservative committee members might themselves tip the scales. The one slated to be chairman was the Hon. Dr. Raymond Morand, member for one of the Windsor constituencies (Essex East), bilingual, a former acting minister in the short-lived Meighen government of 1926. The other four Conservatives were J. O. Gagnon of Quebec City, who had practised law in partnership with the solicitor general in the Bennett government, Maurice Dupré; W. A. Beynon, a lawyer from Moose Jaw; R. K. Smith, a lawyer from Amherst, Nova Scotia; and D. M. Wright, a furniture manufacturer from Stratford, Ontario.

The committee worked hard, holding twenty-two meetings, with only
36 / *Debates*, Feb. 16, 1932, p. 236.

one member not in regular attendance. Dr. Morand was a good chairman, and the questioning was thoughtful and thorough. The committee had as technical adviser Colonel W. A. Steel, a communications engineer on loan to them from the National Research Council. For their information they had before them the evidence taken by the Aird Commission and a statement prepared by the director of radio in the Department of Marine. The three members of the Aird Commission appeared before them, as did private broadcasters and their allies, and Graham Spry and representatives of organizations associated with the Canadian Radio League.

The evidence of the director of Radio, Commander Edwards,³⁷ showed that there had been little change in the radio situation since the Aird Commission hearings. The average number of hours during which a Canadian station broadcast was shown to be six, with over three hours per day consisting of recordings. Four stations in Toronto and Montreal were now receiving American network programs on a regular basis, and a Calgary station was trying to get an American affiliation. A new station in Windsor had been licensed in 1931 – an exception to the general policy of not granting new licences until the broadcasting policy was decided.³⁸ Four stations had been granted a substantial increase in power: CFCN, Calgary, to 10,000 watts; CFRB, Toronto, to 4000 watts (within two months CFRB went up to 10,000 watts); CKAC, Montreal, to 5000 watts; and CJGC, London, to 5000 watts. (Two of these stations, CFRB and CKAC, were American network affiliates.)

The members of the Aird Commission explained the reasons for their recommendations. Frigon reiterated his view that in spite of the Privy Council decision there should be control within each province of the programs to be selected for hearing. Gagnon remarked that he could not reconcile “the full control that the province might exercise over the programs, and the control which has been given to the Dominion Government by the Privy Council.” Both Frigon and Bowman emphasized that broadcasting tended toward monopoly, and they suggested that so long as it was regarded primarily as merely a business, it would not properly serve the nation as a whole.³⁹

37 / Canada, House of Commons 1932 Special Committee on Radio Broadcasting, *Minutes of Proceedings and Evidence*, pp. 3–22 (March 11, 1932); hereafter cited as *1932 Proceedings*.

38 / The Liberal opposition had criticized not the granting of a licence to the Windsor area, but the choice of recipient. A group of Conservative businessmen had won out over the *Border Cities Star*, favoured by the Liberals. The Windsor station became the subject of continuing political debate.

39 / *1932 Proceedings*, pp. 63–100.

Aird testified four weeks later than his colleagues on the commission. He explained why he came to the conclusion that public operation of the radio system was necessary:

However friendly one might feel toward private enterprise in the operation of broadcasting stations ... one could not close one's eyes to the apparent impossibility of Canadian broadcasting being adequately financed by revenue from private sources such as radio advertising. It seemed plain in 1929, it is plainer still in 1932, that an adequate broadcasting service in this country will need more revenue than private enterprise can raise from operating broadcasting stations for gain.

Equally, he had rejected the alternative of public subsidies, recalling Canada's unhappy experience with subsidies "during the period of building competitive railways." Even if the dominion government were to pay the cost of land lines, this would still be "an indirect subsidy to radio advertising"; and the government would be in an impossible position having to decide which private stations would enjoy the benefits of the proposed subsidy.

Aird suggested that the small, local stations of 50 watts power could be left to private ownership, but they should not carry direct advertising. He also complained that the opponents of the Aird Report had greatly magnified the costs of a Canadian publicly owned system.⁴⁰

Those who appeared in opposition to a nationally owned and operated system were (a) representatives of private stations and advertising interests; (b) the Canadian Pacific Railway; (c) the Canadian Manufacturers' Association; (d) legal counsel for two provincial governments; and (e) a listeners' organization, which, during testimony and questioning, appeared to have been inspired and financed by persons associated with CKGW.

The Canadian Manufacturers' Association and the Canadian Association of Broadcasters presented briefs in favour of a continuation of the present system. The CMA counsel claimed that "present facilities are already giving excellent service to the more densely populated portions of Canada and if the government feel it their duty to extend certain services to more distant and sparsely settled districts of the country, such can be accomplished from the surplus funds derived from set licences by temporarily or otherwise assisting the communication lines to the necessary extent. ... It should not ... be necessary to take over a whole system of broadcasting in order to remedy a few small gaps." It estimated that the total annual operating costs for stations would be about six million dollars a year, in addition to capital expenditures. The

40 / *Ibid.*, pp. 494–509.

licence fee would have to be at least seven dollars if a publicly owned system were instituted.⁴¹

The CMA counsel also read a brief from the Association of Canadian Advertisers which suggested that the banning of direct advertising would place a severe handicap on Canadian products competing with foreign products not denied such forms of advertising. The Canadian Advertisers felt that the government should subsidize land lines to make Canadian programs available to more people. This proposal was supported by the Radio Manufacturers Association. In answering questions from Euler and Garland, the Radio Manufacturers' representative somewhat weakened the private-enterprise case by admitting that his association was not interested in advocating either public or private ownership of the system, and that the limited number of stations represented "a number of monopolies."⁴²

The private stations in Toronto filed letters from listeners, of which the following is a sample:

Station CKNC

Gentlemen:

After listening to the remarks of your Mr. Bushnell, the writer wishes to go on record as being absolutely opposed to government control of radio broadcasting in Canada. ... I take pleasure in opposing this and wish you the best of luck in having this bill defeated good and proper.

W. Walter Watt⁴³

The Canadian Association of Broadcasters repeated the arguments of the Manufacturers' Association and of the Association of Canadian Advertisers, advocating private ownership of stations, but government subsidies. In arguing against the Aird plan, the CAB submitted that under it the government would have to spend over 2½ million dollars for capital purposes alone – including a million to be paid to existing stations for "goodwill." According to the CAB's calculation, the licence fee under such a plan would have to be at least \$5.50 a year.⁴⁴

R. W. Ashcroft of CKGW agreed in most ways with the other station owners, but he wished to see the smaller stations eliminated or reduced; and he vigorously defended American network connections. Canadian annual expenditure of a million dollars for programs (such as would result from the two-dollar licence fee) could not compete with an

41 / *Ibid.*, pp. 125–54.

42 / *Ibid.*, brief from Association of Canadian Advertisers, pp. 169–70; evidence of Radio Manufacturers Association, pp. 171–81.

43 / *Ibid.*, p. 242.

44 / *Ibid.*, pp. 271–82.

American expenditure of fifty million dollars. What was needed was responsible private ownership of a network, fewer stations, a government subsidy for transmission lines, and "adequate government supervision."⁴⁵ Ashcroft's plan had obvious similarities to the kind of proposal Edward Beatty had been advancing on behalf of the CPR.

It is noteworthy that in all of the schemes advanced by private interests – the manufacturers, the advertisers, the CAB, R. W. Ashcroft, and the CPR – it was made clear that substantial sums of public money would have to be spent to provide a national program service. The manufacturers and the advertisers advocated a government subsidy for line charges; they mentioned also costs of originating sustaining programs, but they were not specific as to who should bear such production costs. The radio manufacturers' brief added that the government should erect stations to serve the less populated areas and pay for their operation, though at a later date the stations might be turned over to private organizations. The Canadian Association of Broadcasters spoke of government subsidies to enable better programs to be provided to all areas of the country, but did not suggest how much this would cost. During its second appearance, the CAB suggested that the government might reserve 15 per cent of station time for programs that it arranged, and that "these hours" could be provided at a cost of \$838,550. The plan advanced by Ashcroft showed a government expenditure of \$1,500,000 (including a sum of \$250,000 to pay for services provided by the Department of Marine.) Thus the private broadcasters did not see the possibility of a national network without the expenditure of a million dollars or more of public funds. When Edward Beatty testified, he also envisaged the annual expenditure of a million dollars from licence fees.

On the day following Ashcroft's appearance, the committee heard four representatives of the Ontario Radio League, which claimed to have recruited "a membership of many thousand individual Canadians."⁴⁶ A letter had been circularized at the beginning of March, reminding listeners that they were in a section of Ontario which

has been receiving very satisfactory service from the high-powered Ontario stations which are affiliated with the Canadian and United States networks. ... Those who are in a position to *know*, tell us that, to provide ALL OF CANADA with radio service as good as what you are now getting would cost AT LEAST \$15,000,000 per year. In other words, your licence fee would cost you \$30 per year instead of \$1, and you would have to tune in American stations for some of your favorite programs.

45 / *Ibid.*, pp. 329–41.

46 / *Ibid.*, pp. 345–68.

Recipients of the letter were asked to “join the Ontario Radio League, which will represent you before the Parliamentary Committee in Ottawa. THIS WILL ENTAIL NO EXPENSE TO YOU, and you may send your application for membership on enclosed prepaid postal card.” The *Toronto Star* (which supported nationalization of radio) indicated that the same invitation was extended by radio: “The other night an announcer over CKGW, inviting whosoever will to come and join the anti-nationalization organization, said: ‘Membership will cost you nothing. The expenses of the organization are all being paid by a group of private individuals who are opposed to public ownership.’”⁴⁷

Euler and Garland tried to get the names of the ten persons who had started the league and who had financed the mailing of the circular, but the league’s secretary said she was not at liberty to divulge them. The league advocated that stations be privately owned but that the number of stations in Ontario be limited to six, all of 5000 watts or more; that all others be abolished and the owners compensated; that broadcasting be regulated by a radio commission of three members; and that Ontario licence-holders “should not be penalized by a high licence fee in order that radio receiving-set owners in other parts of the province or throughout the Dominion might thereby be provided with better entertainment.” During committee questioning, the Ontario league made a rather poor impression, but the Canadian Radio League was nevertheless concerned that it might have impressed MPs and others as a “popular movement.”

La Presse was represented at the hearings by its counsel, Aimé Geoffrion, and the manager of station CKAC, Arthur Dupont.⁴⁸ Geoffrion had represented the Quebec government the previous year in the battle for radio jurisdiction, and at the outset of his testimony he read a telegram from the premier:

Aimé Geoffrion, K.C.

Please appear on behalf of Province before Radio Committee. Oppose government ownership and if regulation is accepted it should be under a commission composed of some members appointed by provinces.

L. A. Taschereau

Geoffrion explained that the province of Quebec was “afraid of granting absolute mastery of the biggest influence conceivable to the Dominion of Canada.” Euler asked, “Is the objection ... based on an inherent objection to the principle of public ownership?” Geoffrion replied, “Well,

47 / *Toronto Daily Star*, April 1, 1932.

48 / *1932 Proceedings*, pp. 519–38.

I would not say that because we have public ownership of the liquor trade.”

Dupont said that *La Presse* was urging that stations be left in private hands, although there should be an “independent controlling commission,” and the federal government should sponsor (pay for) “national events, national programs, etc.” He then criticized the proposal of the Canadian Radio League for one large 50-kilowatt station in the province of Quebec, and a second station of 500 watts. Dupont said that the large regional station would naturally carry national programs, that is to say, English programs. Was the second station of 500 watts, mentioned by the Canadian Radio League, to be the booby prize for Canadians of French extraction? A true national service should entail two chains, not one. The proposal for government ownership, far from increasing national unity, would only cause strife and bitter feeling between the two great races.

The Nova Scotia government was represented by Colonel E. C. Phinney, who, according to Spry, had been counsel for the *Halifax Herald*, the owner of the only station in the province of any considerable power (CHNS). Phinney claimed that when the Aird Commission visited Nova Scotia, the subject of radio was so new that there was little informed opinion on it, and that if the commission were to return, it would find a public opinion contrary to its recommendations. In reality, the Canadian Radio League had little support in the province. To Phinney’s knowledge, some of those named on the national council of the league were in fact opposed to a government monopoly of the ownership of stations and were especially opposed to a plan for a regional transmitter serving the three maritime provinces.⁴⁹

Other private stations made appearances before the committee, or submitted written briefs – stations in Regina, Quebec City, Summerside, Ottawa, North Bay, and Calgary. But the proposal which was regarded as the real alternative to national operation of the broadcasting system was that advanced by the president of the CPR, Edward Beatty. He was the last important witness before the committee, and before his evidence is reviewed, it would be well to look at the case made by the Canadian Radio League and its allies.

6 *Supporters for the Radio League*

It is no exaggeration to say that the activities of the Canadian Radio League dominated the proceedings of the 1932 committee – whether

⁴⁹ / *Ibid.*, pp. 383–92.

judged by the weight of support from large organizations, the testimony of expert witnesses, the statements made by persons of national reputation, or the comprehensiveness and precision of the briefs presented.

Graham Spry made a preliminary appearance early in the hearings, when he gave a general summary of what the league stood for, and answered questions about the organization – who was behind it, how it was financed, what evidence of support it had, particularly in Quebec and the Prairies. Spry offered to bring before the committee “from Great Britain a Canadian of large experience,” and also another gentleman of experience in educational broadcasting from the United States. These the committee moved to hear. Two weeks later Spry filed as evidence of support resolutions and statements from such organizations as the Canadian Legion, the two labour congresses, the farm organizations of the three prairie provinces, the legislature of Alberta (a 1931 resolution), the National Council of Women, the Catholic Women’s League, the Women’s Institutes, the Canadian Federation of University Women, and seven Alberta Boards of Trade.⁵⁰

The league’s decision to try bringing in witnesses from Britain and the United States had been taken in early March, when Spry and Plaunt were concerned about the campaigns being conducted by the private stations, by *La Presse*, by the “behind-the-scenes activity of the Canadian members of the RCA group ... and the power and prestige of the Canadian Pacific Railway.” They suspected also that the Columbia Broadcasting System and the National Broadcasting Company had a concerted plan to cover Canada, with the assistance of a newly established trans-Canada telephone circuit, a new station of 10,000 watts in Calgary (CFCN), and other stations to follow in Windsor and Hamilton.

Spry and Plaunt therefore set about collecting another thousand dollars, particularly to pay the expenses of someone from Britain if the BBC would co-operate. The BBC agreed to send Gladstone Murray, the Canadian-born public relations director for the BBC, if the committee would send a formal invitation. This had to be arranged when the committee was in recess over Easter; Dr. Morand, reached by telephone in Windsor, authorized Plaunt to cable the invitation in his name. Among those contributing to the travelling expenses were Vincent Massey, Joseph Atkinson, W. F. Herman, N. W. Rowell, Hume Blake, and Harry

50 / *Ibid.*, pp. 42–57, 289–92. Support for the league was especially well canvassed by the president of the University of Alberta, Dr. R. C. Wallace, who was also the president of the Association of Canadian Clubs; and more particularly by E. A. Corbett, director of university extension and a member of the league’s executive. On Vincent Massey’s urging, Corbett himself testified on April 1 as director of the university radio station, CKUA.

Sifton. The BBC paid part of Murray's expenses, and Murray himself made a contribution.⁵¹

When Murray appeared before the committee, he tried to clarify the relationship in Britain between the BBC, the government, and Parliament.⁵² The Crawford Committee of 1925 had recommended that the BBC have, within well-defined limits, the fullest liberty. Murray commented that elected representatives should certainly be able to control policy, but only in the widest sense of the term – the type of organization set up, its terms of reference, and the limitations and obligations placed upon it. It should be accountable at regular intervals to Parliament, but active control should be exercised “only when the utility is not carrying out its obligations, or has gone beyond its powers, or has been guilty in some way or another of offending the letter or the spirit of the Constitution which has been duly considered and agreed.”

Murray said that the first BBC Board of Governors had been appointed by Prime Minister Baldwin with the agreement of the other party leaders. One of the governors had been Mrs. Philip Snowden, the wife of a prominent member of the opposition party. Murray went on to distinguish between the responsibility of the governors for policy, and the management responsibilities of the director general and his assistants. Ilsley asked, “How much parliamentary control is there over the operations of the British company by ministers, answering questions in parliament?” Murray replied: “The postmaster general is responsible in the main. He will answer questions of major policy affecting the broadcasting corporation, but he will not deal with any questions on such matters as programs.” Murray made a deep impression on the Radio Committee. Wilfrid Eggleston interviewed its members just after publication of the committee report, and he wrote: “Members confessed that he [Murray] had more influence over their ultimate findings than any other person.”⁵³ Or as Spry wrote to Vincent Massey: “[Gladstone Murray] was the first person before the Committee who really convinced the Committee that they were dealing with a subject of the first importance, and he raised the whole level of subsequent discussions.”⁵⁴

The American witness whom the Radio League invited to Ottawa was Dr. J. E. Morgan, chairman of the National Committee on Education by Radio in the United States, and editor of the *Journal of the National Educational Association*. He said that no country in the world was so

51 / O'Brien, pp. 264–7.

52 / 1932 *Proceedings*, pp. 295–318.

53 / *Toronto Daily Star*, May 12, 1932.

54 / Spry to Massey, June 8, 1932; quoted in O'Brien, p. 270.

favourably situated for the highest development of radio broadcasting as the United States, but that in spite of this, radio in his country was highly unsatisfactory. He recounted the story of radio's unregulated development in the United States, leading to the creation of the Federal Radio Commission. But he said this had been such a weak organization that there had been constant litigation and conflict over allocation of radio channels. About half of the channels had been assigned to stations affiliated with NBC, and another quarter to CBS stations. These network stations tended to occupy the clear channels and have the highest authorized power. There was increasing dissatisfaction with the system of broadcasting in the United States, which gave "the best listening hours largely to the cheapest programs." And no one who knew the facts could doubt the close relationship between interests seeking to control radio and the monopolistic interests involved in the power trust. Mr. Merlin H. Aylesworth had left the National Electric Light Association in 1928 to become president of NBC. "Commercial stations are already using their franchise on the air to spread propaganda to defeat legislation for radio reform."⁵⁵

These allusions to a growing radio monopoly in the United States, linked with the power trust, must have been welcome to the reform-minded parliamentarians of the 1930s, particularly men like E. J. Garland. No representative of the American broadcasting companies appeared to refute the unfavourable report which Dr. Morgan gave. Presumably they felt they would be in a delicate position before a Canadian committee.

The Radio League also invited the American inventor, Dr. Lee de Forest; unable to appear, he sent a statement which Spry read to the committee. As the "father of broadcasting" he deplored its being so debased by commercial advertising. He expressed the hope that Canada would "point the way to a wiser use of this scientific boon that we have let fall into unworthy keeping." He concluded, "We look to you in Canada to lead radio in North America out of the morass in which it is pitifully sunk. May Canada fulfill my early dream!"⁵⁶

Before Spry made the second and main presentation on behalf of the Radio League, some of the league's prominent supporters made appearances on their own: Mrs. J. A. Wilson, past president of the National Council of Women; J. C. G. Herwig, for the Canadian Legion; Humphrey Mitchell, MP, chairman of the Ontario executive, Trades and Labor Congress; W. T. Burford, secretary of the All-Canadian Congress

55 / 1932 *Proceedings*, pp. 473, 476.

56 / *Ibid.*, pp. 486-7.

of Labour; and the Hon. Newton W. Rowell, president of Toronto General Trusts.⁵⁷ It was Rowell's opinion that the British system was much superior to the American. True, there was a government monopoly in Britain, but in the United States there was a "privately controlled monopoly." Radio had a great part to play in Canada in moulding a national outlook, in bringing about a better understanding among races and peoples within the country. It could also promote co-operation or unity within the Commonwealth and this could not be done under the present system of small, privately owned stations. Canadian advertising could not support the system of high-powered stations necessary to reach the entire country.

Rowell concluded by reading a message from the prime minister under whom he had once served, Sir Robert Borden: "In so far as American broadcasting is undesirable for the use of Canada, you can say to the committee that the only way to displace this character of broadcasting ... is by giving to our people something better. ... The practical and satisfactory way ... to do this is by a government owned national broadcasting system." Conservative members of the committee may have been reassured to know that two of their previous prime ministers, Borden and Meighen, were now on record as supporting a public system.⁵⁸

Even this evidence of support for the Radio League's objectives was not considered enough. Between Spry's initial presentation (March 15) and his principal and more extensive brief (April 18), he and Plaunt were busy writing their affiliated organizations, getting them to pass resolutions and have their local branches pass resolutions. The manager of the Canadian Daily Newspapers Association sent a circular letter to the "friendly list" giving them "one more jolt to wake them up if possible."⁵⁹ The Trades and Labor Congress of Canada sent out a letter to fifty-one of their units (composed by Plaunt). Another eight-page pamphlet was published by the Radio League, making use of some of the material brought out as evidence in the first hearings of the committee. The response, Plaunt noted, was "simply magnificent." Letters, telegrams, and resolutions flowed in to the committee; the league sent the members of the committee a summary of recent Canadian editorials supporting a nationally owned broadcasting corporation.

57 / *Ibid.* Statements by these supporters, respectively, are on pp. 408-12, 413-14, 405-6, 58, 516-19. A statement by the IODE in support of the Radio League is reproduced on p. 652.

58 / Meighen's statement, quoted above, p. 40, had been given wide circulation by the Canadian Radio League.

59 / Letter from Arthur Partridge to Plaunt, March 31, 1932; quoted in O'Brien, p. 274.

Spry meanwhile was off on another errand. One day, as he was dining at the Rideau Club, he was called to the telephone. It was Prime Minister Bennett, who told him that there had been a discussion on broadcasting in cabinet, and that some members had queried the evidence of public opinion in the Prairies. Bennett asked him whether he would make a quick trip to the West to provide such evidence.⁶⁰ Spry arrived at Winnipeg on March 20 and spent one day in each major city meeting committees, broadcasting, and encouraging the people in each area to telegraph their views to the Special Committee and to the prime minister. In Winnipeg, he saw Premier Bracken; in Regina, provincial Attorney General Macpherson; and in Edmonton, Premier Brownlee. The Alberta and Manitoba legislatures passed unanimous resolutions in favour of a national broadcasting system, and in Saskatchewan, where the legislature was not in session, the cabinet wired its endorsement to Bennett. The mayor of Winnipeg, Ralph Webb – a prominent Conservative – sent a telegram emphasizing radio's importance in the "national and imperial development." If the opportunity were not taken to put radio under the control of Parliament, he shuddered to think "what our grandchildren will say of us who in economic difficulties took such a short-sighted view." Webb had reversed his opinion of two years ago, when he had expressed opposition to a national broadcasting policy.⁶¹

7 *The Radio League's Plan*

When Spry testified on April 18, he presented a brief more comprehensive than anything the league had previously published; more comprehensive, indeed, than the Aird Report three years earlier.⁶² Spry of course drew on the evidence gathered by the Aird Commission, as well as comments made by supporters and critics of the commission proposals during the months in which the Canadian Radio League was being organized. The league was able to enlist the assistance of three experts from the public service: E. A. Weir, director of radio for the CNR; Colonel W. A. Steel, of the National Research Council, who with the appointment of the Radio Committee became its technical adviser; and Donald Manson, secretary of the Aird Commission, and chief inspector of radio in the Department of Marine.⁶³ Spry also used information he

60 / McArthur interview with Spry.

61 / PAC, R. B. Bennett Papers, Ralph Webb to Bennett, March 28, 1932; Webb to Bennett, Feb. 19, 1930, with copy of letter to Winnipeg Board of Trade.

62 / 1932 *Proceedings*, pp. 543–88.

63 / Prang, p. 27.

had gathered on a trip to New York and Washington (where W. D. Herridge had succeeded Vincent Massey as Canadian minister to the United States).

Oddly enough, the day of Spry's testimony coincided with the smallest turn-out of committee members; only five were in attendance – the chairman, Dr. Morand; and Gagnon, Garland, Ilsley, and Smith. In a presentation lasting about four hours, Spry talked first about the potential of the broadcasting medium in the formation of public opinion, in helping form a "single, glowing spirit of nationality making its contribution to the world." Radio broadcasting, he said, is no more a business than the public school system, the religious organizations, or the varied literary, musical, and scientific endeavours of the Canadian people. It is a public service. Because of the natural limitations of wavelengths, and for reasons of economy and efficiency resulting from a centralized operation, "monopoly is the most satisfactory principle on which a national system of broadcasting may be established." A democratic state cannot permit an agency to challenge one of its basic principles, the unhampered expression of public opinion.

Turning to an analysis of the existing situation, he made use of facts that had been placed on the record earlier in the hearings – the inadequate quantity of programming, the declining hours of Canadian network programs, the small use of paid talent, the inadequate amount of advertising revenue to finance national broadcasting, the poor coverage of the settled area of Canada.

Then, referring to the American situation, Spry quoted Judge Robinson, former chairman of the Federal Radio Commission, on the growth of monopoly in American broadcasting, and also three senators on the "radio trust." He suggested that one group in North America (the group associated with RCA) "controls the greatest agencies of public entertainment, popular education and communication, the manufacture of the equipment of these services, and allied arts and industries." Then he described the American connections of witnesses appearing before the committee in opposition to the Aird Report: CKGW; CFRB; the Radio Manufacturers Association "representing Canadian radio factories in which sixty per cent of the capital, according to the Bureau of Statistics, is American ... Station CKNC, of the Canadian National Carbon Company, a subsidiary of the National Carbon Company of the United States." Spry noted that "there has also been present, without intervening, a counsel of the National Broadcasting Company, before this committee, who is reporting to Mr. Aylesworth."

Why are the American interests so interested in the Canadian situation? The reason is clear. In the first place, the American chains have regarded Canada as part of their field and consider Canada as in a state of radio tutelage, without talent, resources or capacity to establish a third chain on this continent. ... In the second place, if such a Canadian non-commercial chain were constructed, it would seriously weaken the whole advertising basis of American broadcasting. The question before this Committee is whether Canada is to establish a chain that is owned and operated and controlled by Canadians, or whether it is to be owned and operated by commercial organizations, associated or controlled by American interests. The question is, the State or the United States?

In answer to questions, Stry explained why he objected to a regulatory commission similar to the Federal Radio Commission in the United States. First of all, having the high-powered stations under private ownership would be taking a chance on Canadian control. Nor would this system offer a solution to the problem of Canadian coverage. Any proposal that the committee had heard from private interests involved a subsidy from the government. Commission control would do nothing to provide the necessary regional stations offering a program service to the entire country for something more than two or three hours a day. Finally, the commission function would be primarily negative, and concerned mainly with censorship. The type of men attracted to a position on the commission would be quite inferior to the type that would respond to the challenge of promoting positively a great national network.

But if the league advocated public ownership, it was public ownership only of the broadcasting stations. The league did not advocate the public ownership of transmission lines, and it was opposed to the operation of stations as a department of government. There should be "a large measure of freedom for organizations, provincial governments, as well as private individuals, to rent time from the publicly owned stations and to offer programs." The Radio League differed from the Aird Commission in advocating that there be "low-powered short range local stations for local purposes ... owned by local authorities ... subject to control and inspection by the technicians of the national system."

For the attainment of the league's objective, Stry then set out three stages. In the first stage, lasting a full operating year, Parliament would establish the Canadian Broadcasting Company or Corporation, to be governed by an interim directorate of between three and seven persons. The company would appoint a competent director general, responsible to the directorate, to take charge of the operations and the appointment of staff. The company's own programs would be delivered to existing

stations free of charge, through the leasing of wire lines for at least eight hours a day. A technical survey would be undertaken to provide a long-term scheme for coverage of the settled areas of Canada. The existing ownership and operation of Canadian stations would continue from one to two years. A second stage involving gradual expropriation of these stations would follow.

In the beginning, funds would be provided by the whole of the receipts from the licence fees of \$2.00 each a year and by revenue from indirect advertising. The amount of the latter should be limited to 5 per cent of the program time, and direct advertising eliminated. The company would have a monopoly of all network arrangements, and would pay a rental charge to stations for sponsored programs that it relayed. The licence fee should be raised to \$3.00 in a year's time.

In the first stage, there was to be no capital expenditure. In the second stage, lasting a year or two, plans would be made for the erection of high-powered stations. Provincial advisory councils would be appointed to take office in the third stage. The whole of the revenue from the increased \$3.00 licence fee would go to the company.

In this final stage, a system of high-powered stations would be established, and private stations eliminated, except for low-powered local stations, "be they operated commercially, by amateurs, or by some civic authority." A board of twelve directors for the broadcasting company would be appointed, nine representing the provinces "as set forth in the Aird report." The government, for its part, would name three ministers as a cabinet sub-committee to deal with broadcasting matters. In each province an advisory committee would be set up to control programs within the province. School broadcasts would be provided, as authorized by provincial authorities, and a national symphony orchestra would be established.

It was suggested that the system might comprise six 50,000-watt stations; four 5000-watt stations; and nine 500-watt stations (in addition to a number of 50-watt local stations, independently owned). To permit a French network, the following suggestion was made: "The low-powered local stations now in existence in Quebec could be organized with the national stations, on different occasions, into an entirely French-speaking network, stretching from Moncton to Ottawa, thus giving French Canada its own chain, and we recommend that there be formed, if it meets with the wishes of the French-Canadian people, a special advisory council, embracing the French-Canadian members of the advisory councils of the provinces concerned, for the operation of this network." The special position of the province of Quebec should be recognized "in all respects."

Spry reiterated that the Canadian Broadcasting Company or Corporation should be established upon a basis that would enable Parliament to control major policy, but give the company the widest possible responsibility as to administration and programs. Unlike the Aird Commission, the Radio League proposed that all financing should come from the licence fees and supplementary revenues earned by the broadcasting company – “without the expenditure of a cent of public money.” Sample budgets were set forth for a typical year in each of the three stages:

First stage: revenue, \$1.5 million; expenditures – wire rental, \$400,000; program costs, \$25,000; salaries, \$65,000.

Second stage: revenue, \$2.5 million; expenditures – compensation for facilities scrapped, \$300,000; salaries, \$115,000; studios and wire costs, \$450,000; programs, \$300,000.

Third stage: revenue, \$3 million plus advertising revenue of \$950,000; capital expenditure coming out of profits in the three stages – \$415,000 from the first stage, \$985,000 from the second stage, \$1,870,000 from the third stage.

It is interesting to compare the suggested expenditures for a year in the “second stage,” with the actual expenditures by the Canadian Radio Broadcasting Commission in the fiscal year 1934–5, which were as follows: salaries, \$156,000; administration, \$71,000; operation of stations, \$63,000; new construction, \$75,000; technical apparatus, \$19,000; leasing of time on private stations, \$246,000; wire lines, \$333,000; programs, \$433,000; total, \$1,400,000 approximately.⁶⁴

The two sets of figures are reasonably close. The major difference arose from the failure of the government to increase the licence fee to \$3.00 from \$2.00, thus making impossible a surplus, and also impossible a program for the building of high-powered stations and the purchase of existing stations. However, the estimates of program costs made by the Radio League were too low, particularly when we remember that the league spoke of a network service for eight hours a day. In 1934–5, the Radio Commission provided a service of four and a half hours a day. The league also mentioned paying an amount to private stations during the first two stages for the time given over to broadcasting commercial programs from the national service. That item does not show in their proposed budget, but presumably it would be met from the advertising revenue. National sustaining programs were to be provided free to all network stations.

Altogether, it is doubtful whether a company formed under the

64 / Annual Report of the Canadian Radio Broadcasting Commission for 1935, p. 19.

league's proposals could have built up a surplus sufficient to undertake the projected capital program in less than six or seven years without a subsidy or loan.⁶⁵ But the crucial point in the league's brief was that the licence fee should be \$3.00 rather than \$2.00, and given the higher fee, there is no doubt that an appropriate plan could have been developed, even if each stage were to last for a longer period than the league had suggested.

8 *Edward Beatty's Proposal*

The president of the Canadian Pacific Railway, Edward Beatty, admitted straight away that there should be a radio commission for Canada. But it would not be fair to deny commercial institutions the benefits of the radio medium. "Great Britain offers no parallel to the position in which we find ourselves on this continent. ... If the provisions of the Aird Report were given effect to, we would require *to be silent in respect of our own products*, even though in many cases we are appealing to a common market."⁶⁶ Although Beatty agreed with the Aird Commission that waste through unnecessary duplication of facilities should be prevented, he saw great danger of political abuse under government operation of radio. He therefore suggested:

1. a government-appointed commission to regulate controversial matters, such as the extent of advertising and the time allotted to educational broadcasting, with power to review program deficiencies;

2. a corporation to be established known as the Canadian Broadcasting Company in which the railway companies and other important radio interests would participate through stock ownership. This company would acquire the existing stations, or enough of them to form a network.

The company would provide sufficient program service to allow its stations to broadcast at least ten hours a day; it would co-operate with regional program committees, exercise control over commercial programs, and encourage Canadian talent. Costs were estimated at about two million dollars a year, of which one million dollars would be recovered from advertising, "leaving approximately one million dollars a year to be secured through a proportion of the license fees until the company is on a self-sustaining basis." This scheme, Beatty added, would combine the best features of private administration and operation,

65 / It is true that Spry told the committee that the attainment of the objective would take from three to seven years.

66 / *1932 Proceedings*, p. 658; Beatty's evidence, pp. 656-82.

political non-interference, and government control. He then cut the ground out from under the private broadcasters by agreeing with Garland that radio was a “natural monopoly.” In answer to a question from Euler, he conceded that “there is a great element of public service in radio,” and that the proposed governmental commission should “sit in judgment on programs,” and should “define the character of the programs which are to be given, perhaps not in absolute detail.”

The committee’s final public session was held the next day (April 21). During the next two weeks, the press speculated on the likelihood of Beatty’s plan being adopted, rather than the one proposed by the Radio League. *Saturday Night*, under the editorship of Hector Charlesworth, favoured the “compromise” suggested by the Canadian Manufacturers’ Association: continuance of private ownership of radio with government supervision of programs.⁶⁷ The *Toronto Star* called the Beatty plan “an eleventh hour attempt on the part of private capital to prevent the government doing what it ought to do.” It said the CPR was already the largest single power in the Dominion; when a radio monopoly was added to its transportation monopoly, it could do “about what it liked with this country.”⁶⁸ The *Montreal Gazette* in a front-page story on April 23 reported that the government was likely to accept the Beatty plan.

When the committee was arriving at its conclusions and drafting its report, the Radio League was completely in the dark about the intentions of the committee and of the government. Spry recalls that just at that time, relations between the league and the prime minister’s office for some reason simply ceased to exist. There were rumours about Beatty’s activities; the press carried a report of Duranleau making a trip to Montreal to see him;⁶⁹ but the Radio League really did not know what was happening.

On April 28 Morand sent a letter to the prime minister outlining the technical scheme which the committee had under consideration, and suggesting that before their report was submitted to Parliament, Canada should discuss the committee’s proposal with the United States government in order to secure the necessary channels.⁷⁰ Herridge had been in close touch with the committee’s deliberations, and as minister to Washington, undertook the negotiations. On May 5, an exchange of notes with W. R. Castle, Jr., acting secretary of state, confirmed that Canada was to have the use of the channels requested.⁷¹

67 / *Saturday Night*, April 9, 1932.

68 / *Toronto Daily Star*, April 25 and 26, 1932.

69 / *Ottawa Citizen*, April 25, 1932.

70 / Bennett Papers, Morand to Bennett, April 28, 1932.

71 / *Ibid.*, Herridge to Castle, and Castle to Herridge, May 5, 1932.

9 *The Radio Committee's Report*

The committee presented a unanimous report to the House of Commons on May 9. The committee was seized of the national importance of radio broadcasting, as a "medium of education, thought-provoking development, and fostering of Canadian ideals and culture, entertainment, news service and publicity of this country and its products, and as an auxiliary to religious and educational teaching, also as one of the most efficient mediums for developing a greater National and Empire consciousness within the Dominion and the British Commonwealth of Nations."⁷²

A tribute was paid to the pioneers of broadcasting, but the committee found that "the present system, excellent as it is in certain respects, does not meet the requirements in quality and scope of broadcasting to ensure its maximum benefits." The committee recommended a chain of high-power stations the location of which should be determined after a careful technical survey: probably five 50-kilowatt stations, one 10-kilowatt station, two 5-kilowatt stations, a half-dozen stations of somewhat lower power, and a number of 100-watt stations.

The committee differed with the Aird Commission in recommending that the costs of radio be met without government subsidy, with the revenues to come solely from licence fees and advertising. The amount of the licence fee should be left entirely in the hands of the governor in council.

The committee recommended the appointment of three paid commissioners, to hold office for terms of eight to ten years; also an assistant commissioner in each province, who would also act as chairman of provincial advisory program committees. The assistant commissioners were to be selected "in consultation with the Government of their respective Provinces."

The commission should have power to regulate and control all broadcasting in Canada; to own and operate stations; to originate and purchase programs; to determine the number, location, and power of all stations in Canada; to control the issuing of licences to stations; to prohibit privately owned networks; and "subject to the approval of the Parliament of Canada, to take over all broadcasting in Canada."

The commission should as soon as possible establish a national network service, and acquire stations as it could from its revenues. Stations of 100 watts and under, not required for the national system, should remain under private ownership, but be regulated as to programs

72 / *Debates*, May 9, 1932, pp. 2709–11.

and advertising by the rules of the commission. Advertising should be limited to not more than 5 per cent of each program period; but no stipulation was made (as in the Aird Report) that this should be "indirect" advertising. The committee concluded by calling attention to the "extreme importance that the Board should not assume, or even be suspected of assuming, a political complexion."

At the same time as the committee made its report, the prime minister told the House of the negotiations which were being carried on with the United States to secure an increased number of channels for high-powered stations in Canada, on which the whole plan depended. Two days later, the committee chairman, Dr. Morand, gave further details. Under the new arrangement, Canada would have nine clear channels (instead of five), with no power limitations; four shared channels, with power limited to one kilowatt (instead of one channel, with power limited to four kilowatts); three shared channels, with power limited to 500 watts; and twenty shared channels with power limited to 100 watts: a total of thirty-six channels, as opposed to seventeen formerly.

Morand listed four problems with which his committee had felt they must deal: "First of all, we did not have adequate coverage; secondly, there was no trans-Canada or interprovincial broadcasting; third, there was no body or machinery to plan or control programs or advertising; fourth, there was always the possibility of a monopoly being established." On this last point, he quoted from Beatty's testimony, and also cited Senator Wheeler and Senator Dill on the growing radio monopoly in the United States. As for advertising, the committee felt that a certain amount must be permitted so that American goods would not have an unfair advantage in the Canadian market. Morand concluded:

I believe we have made provision whereby the natural talent of our country can be developed and be taken advantage of. I believe that we have made provision whereby a greater understanding and unity can be promoted. ... Had the fathers of confederation been able to add this means of communication to the ribbons of steel by which they endeavoured to bind Canada in an economic whole, they would have accomplished a great deal more than they did, great even as their achievement was.⁷³

Speaking for the Liberal members of the committee,⁷⁴ Euler said that the committee had recognized the important principle that radio is a natural monopoly; it was opposed to private monopoly, and it believed that "present conditions might so develop that outsiders might acquire control of radio broadcasting in this country." Both Euler and Morand

73 / *Ibid.*, May 11, 1932, pp. 2818-20.

74 / *Ibid.*, pp. 2821-2.

were aware that opponents were already beginning to say that the proposed system would prevent American broadcasting from reaching Canada, and they took care to deny this. But they were not specific on the question of whether Canadian stations should be allowed to affiliate with American networks, as four had already done. Owners of stations in Montreal and Toronto were concerned to keep "Amos 'n' Andy" and "Eddie Cantor," as were their listeners. Would these programs be picked up in the future only from American stations, would the new commission alone decide what programs were to be brought in from the United States, or would private stations (for whatever time was left to them) be allowed to retain their American network affiliation? The committee gave no direction on this.

Members of the committee elaborated on their proposals in an interview with Wilfrid Eggleston, of the *Toronto Star*.⁷⁵ E. J. Garland foresaw the commission acquiring two key stations at Toronto and Montreal in 1933; other stations would come as money permitted. He thought listeners would realize that the licence fee would have to go up to three dollars a year, or perhaps four dollars. Another member thought the commission could count on a revenue of at least \$1,500,000 from licence fees and another \$750,000 from indirect advertising. A question was raised about the million dollars or more in excess of its administrative costs which the Department of Marine had realized in past years from licence fees. "Two members of the committee said that this was the subject of much discussion. If it could be obtained, it would solve the problem of taking over the sixty-odd existing stations immediately, their value having been estimated at something less than \$1,000,000." However, Dr. Morand played down this possibility: "With finances as they are at present, we could not ask the government to dig down into the public treasury at all. After all, the air is a natural resource, the property of all the people, and the radio receiver must be prepared to pay into the treasury for the use of the air." Eggleston asked what part the provinces would play in originating programs. "Very little, at first. [But] that was not the original idea of the committee. The plan was drawn up to create in each province a committee of five, three to be chosen by the provincial government, two by the Ottawa government. Then it was realized that there would be little or nothing for them to do at first. They would need to be paid salary and travelling expenses. All sorts of classes and creeds would fight for a place on them. Finally we decided that an assistant commissioner in every province would do for the time being."

75 / *Toronto Daily Star*, May 12, 1932.

The parliamentary correspondent for the Southam papers, Charles Bishop, reported that various factors accounted for the report's unanimity.

For one thing, the weight of the evidence and, enormously, the preponderance of outside correspondence, favored a scheme of public ownership. Then, outside of President Beatty's reasoned contribution, the case for state ownership had a much superior presentation to the other. It was outlined in principle and developed in detail. The Canadian Radio League, which some sought to ridicule, proved a most efficient organization. The evidence of the British expert was undoubtedly most helpful. Then, the psychology of rather disturbed and distressed days makes increasingly difficult concessions to private interests in conflict with public interests. To the conclusion perhaps no contribution was so vital as the admission that radio is an inherent monopoly whether publicly owned or privately owned. In the latter case a subsidy from the state would be required.⁷⁶

The newspapers that had supported the Aird recommendations were very pleased with the committee report, and the Radio League in its public statements was jubilant. The *Ottawa Citizen* entitled its editorial on the report "Making History." It paid tribute to W. D. Herridge for his work in securing additional channels for Canada, and to Graham Spry and Alan Plaunt for their work in organizing the Canadian Radio League.

The Conservative MPs were not as unanimous in support of a public broadcasting system as appeared on the surface. The committee's report was discussed in caucus, and at least five members accepted Bennett's invitation to express their views by letter. All of these advocated a go-slow policy; in addition to the expense and the prospect of an increased licence fee, three of the letter-writers saw an objection in the demands for French programs by the "colonies" outside of Quebec, which many English-speaking people would find obnoxious.⁷⁷ It was perhaps not accidental that, about the same time, three of these MPs were making representations on behalf of private stations in their areas.

More significant was a letter from one of the committee members, D. M. Wright, whose furniture company, he explained in a later letter to the prime minister, did a lot of business with the Rogers-Majestic Corporation. Wright, wishing to correct a mistaken impression reflected in the press of what the committee had recommended, said that most of the committee wanted to limit strictly the revenues available to the commission. There would only be enough money to lease land-lines so that the best programs could be made available to all stations. That

76 / *Ottawa Citizen*, May 10, 1932.

77 / Bennett Papers, J. F. White to Bennett, May 16, 1932.

might "eliminate the necessity of the Government purchasing the stations and entering the broadcasting business." He wanted to clear up this point before the bill was drafted.⁷⁸

Outside Parliament, the advocates of a privately owned radio system did not give up. The Toronto *Telegram* said nationalization would be a colossal blunder; it would give listeners what was good for them, not what they wanted. The *Telegram* reported strong opposition from the Association of Canadian Advertisers, and warned that an increased licence fee would be most unpopular. It saw some hope in that the report had not recommended the provision of funds for the purchase or erection of stations. Perhaps this would delay nationalization long enough for the government to become aware of the unpopularity of the scheme.⁷⁹ Taking a similar position, the *Financial Post* claimed that the deadening hand of bureaucracy was reaching out to strangle radio broadcasting in Canada; that the politicians wanted to get hold of it; that the legislation should be in the form of a private bill, on which members could vote as they pleased.⁸⁰

Graham Spry issued an enthusiastic endorsement of the committee report: "The public has won a triumph. ... It is a complete victory for the Canadian Radio League. ... The report, indeed, appears at a first reading to go further than the Canadian Radio League proposal. It recommends a small commission, not only with the powers of a company, but with the additional powers of regulating and licensing. This is a wise measure of economy, it strengthens the directing authority, and it is wholly admirable."⁸¹

Spry's pronouncement was for public consumption; his friends in government wanted a positive statement. Privately, he was rather more critical, but especially he was concerned that the government might be persuaded to delay any action. He sent telegrams to the league's supporting newspaper editors urging that they counter the agitation for delay, and he also asked a number of individuals friendly to the government to wire Bennett. One of his telegrams to the newspapers read:

Serious danger Beatty manufacturers lobby may effect postponement legislation until next session. Scores telegrams pouring from Ontario Quebec direct Prime Minister. CPR and manufacturers all out for delay imperative telegrams asking legislation this session pour in direct Bennett please make appeal yourself on behalf your paper and through paper for telegrams from

78 / *Ibid.*, D. M. Wright to Bennett, May 16, 1932 and Sept. 5, 1933.

79 / *Evening Telegram*, May 10, 1932.

80 / *Financial Post*, May 14, 1932.

81 / Quoted in *Ottawa Citizen*, May 10, 1932.

readers calling for immediate legislation. Really imperative. Bennett firm on report but danger is caution argument may convince him delay wise.⁸²

In spite of Spry's public endorsement of the committee report, the league was concerned about their voluntary board, representing the public, being replaced by a full-time three-man commission, paid by the government. The league decided to endorse the committee recommendation, feeling that they had won a large part of their battle: especially the principle of public ownership, and the promise of high-powered stations.⁸³ But Spry made one more attempt to prevent the establishment of a commission. He wrote to Herridge, offering seven reasons why a company was preferable to a commission: a board "representing the best feeling in the country" would act as a buffer between politics and the company officials; such a board would be likely to appoint a well-qualified man, such as Gladstone Murray, as managing director; the commission would not be as energetic as a single executive; it would be unlikely to pay a salary high enough to attract the most capable executive because he would then be getting more than they were; an executive under a commission would be hampered in day-to-day operations; the staff of the commission would be government employees and whether they were included in the Civil Service or not, the other civil servants would create difficulties for them; an independent board of directors would be able to take responsibility for major questions of policy, even take unpopular decisions, and yet exercise control over the executive and keep it moderately responsive to public opinion.⁸⁴

To these most perceptive observations, Spry added that his objections would be more than met if the government intended "to appoint Gladstone Murray or someone like him (if there is another) as Chief Commissioner."

Bennett did not delay in introducing legislation into the House. The first reading of Bill number 94, respecting Radio Broadcasting, was given on May 16; and the second, two days later. Introducing the bill, Bennett made a most important statement of policy:

First of all, this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or influence. Without such control radio broadcasting can never become a great agency for communication of matters of national concern and for the diffusion of national thought and ideals, and without such control it can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened. ... Furthermore, radio

82 / Quoted in O'Brien, pp. 300-1.

83 / McArthur interview with Spry.

84 / Letter from Spry to Herridge, May 14, 1932; quoted in O'Brien, pp. 301-2.

broadcasting, controlled and operated in this way, can serve as a dependable link in a chain of empire communication by which we may be more closely united one with the other. ...

Secondly, no other scheme than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefits and pleasures of radio broadcasting. Private ownership must necessarily discriminate between densely and sparsely populated areas. ... Happily ... under this system, there is no need for discrimination; all may be served alike. Equality of service is assured by the plan which calls for a chain of high power stations throughout Canada. And furthermore, the particular requirements of any community may be met by the installation of low power stations by means of which local broadcasting service may be obtained. ...

Then there is a third reason. ... The use of the air ... that lies over the soil or land of Canada is a natural resource over which we have complete jurisdiction under the recent decision of the privy council. ... I cannot think that any government would be warranted in leaving the air to private exploitation and not reserving it for development for the use of the people. It well may be that at some future time, when science has made greater achievements ... it may be desirable to make other or different arrangements.⁸⁵

With the introduction of the bill, a rare unanimity settled on the House. Only one member, a Liberal from Weyburn, registered dissent. Lapointe for the Liberal party and Woodsworth for the band of Progressives gave Bennett's statement warm support. It seemed a very propitious start for Canada's new broadcasting policy.

10 *The Canadian Radio Broadcasting Act, 1932*

The legislation introduced by Prime Minister Bennett followed the recommendations of the Special Committee in providing for a three-man salaried commission to regulate, control, and carry on broadcasting in Canada.⁸⁶ In doing so, it departed from the recommendation of the Aird Commission for a larger, policy-making board of twelve members, and from the example offered by the British Broadcasting Corporation. The body which was placed in charge of broadcasting might better be described as a governmental commission than as a public corporation.

The chairman of the Canadian Radio Broadcasting Commission (CRBC) was to hold office for ten years; the vice-chairman for nine years; and the third commissioner for eight years. Bennett suggested that the salary for the chairman should be \$12,000 and for the other two members \$10,000; some thought this too high, and the act finally provided

85 / *Debates*, May 18, 1932, pp. 3035-6.

86 / *Canadian Radio Broadcasting Act, 1932*, 22-23 Geo. v, c.51.

for a salary of \$10,000 to be paid the chairman, and of \$8000 to the other two. The commission was to be a body corporate, with power to contract, to sue and be sued, and to acquire property. But it was denied power to borrow; and it could not dispose of real property without the approval of the governor in council.

Although the commission of three was clearly the governing body, the act provided that the federal government could appoint up to nine assistant commissioners, to hold office during pleasure. These appointments would be made after consultation with the government of the province in which the assistant commissioner resided. Assistant commissioners were to be paid an honorarium, but not a salary. They were expected to organize provincial advisory committees, of which they would be chairmen. From time to time, the three commissioners would meet with the assistant commissioners in a "General Council," where policy and program matters might be discussed. But the wording of the act made it clear that this council was to be an advisory body only.

Although substantial powers were reserved for the government or Parliament, within its limits the Radio Commission had very extensive responsibilities. The commission had two main functions: to regulate and control broadcasting in Canada (section 8 of the act); and to carry on the business of broadcasting in Canada (section 9). Under its regulatory powers, the commission was to determine the number, location, and power of stations required in Canada; to recommend to the minister the issuing, suspension, or cancellation of private broadcasting licences; and to allot channels to stations. The commission might determine the proportion of time that any station was to devote to national and local programs; it could prescribe periods to be reserved for national programs; and it was to determine the amount and character of advertising that was permitted (the suggestion being that the proportion of advertising should not exceed five per cent of any program period). The commission was given the power to prohibit the organization or operation of networks of private stations. With such powers listed in the act, it was obvious that private stations could not continue to have the latitude that they had enjoyed up to 1932.

On the operational side, the commission was empowered to originate and transmit programs, and (without reference to Parliament) to lease existing stations. Subject to the approval of Parliament, they could purchase existing stations, or construct new stations, or even "take over all broadcasting in Canada." All by-laws and regulations made by the commission were to be approved by the governor in council.

The revenues of the commission were to be "the moneys appropriated

by Parliament for such purposes." These were not to exceed the estimated revenue from licence fees and from "the business of the Commission under this Act." In other words, the commission was entirely dependent upon parliamentary appropriations; its estimates were subject to the usual forms of review in Treasury Board and in Parliament, and its expenditures were to be reviewed by the auditor general.

During discussion in the House, Mr. Cardin suggested that the language of the act be changed to make it mandatory for the government to appoint provincial commissioners. The prime minister assured him that "action will be taken in accordance with the provisions of the section." Another Liberal member from Quebec asked that programs in French be made available to eastern Ontario and to those parts of the Maritimes where French was spoken. The leader of the opposition, Mackenzie King, urged that a procedure for appointing commissioners should be adopted to avoid political partisanship; he suggested a conference between the two sides of the House, for "in radio broadcasting political partisanship ... might become a very serious affair." Bennett promised to give King's proposal "serious consideration."⁸⁷

The atmosphere of harmony was jarred when W. D. Euler, who had been a member of the Radio Committee, charged that already one of the principles motivating the committee was being violated: the principle that Canadian radio stations should not come under foreign control. He said that the capital provided for the new station in Windsor was completely American; and that although the company's officials were Canadian, the business affairs of the station were being carried on from Detroit. He understood that the Columbia Broadcasting System had acquired control of the station since they had not been able to get a licence for a Detroit station.⁸⁸ (On this last point, Euler was in error. CBS did not have financial control of the Windsor station, CKLW; but the owners had delayed opening the station until they were assured of CBS affiliation.)

The minister of marine replied that as far as his department was aware, the Windsor company was a *bona fide* Canadian company, under Canadian control. No regulation was in existence to prevent the station from selling time to American advertisers; a similar practice (by which he meant American network affiliation) had been followed for some years by CFRB and CKGW in Toronto, and by CFCF and CKAC in Montreal. The minister added that the Radio Commission would have control of

87 / *Debates*, May 18, 1932, p. 3042; also pp. 3037, 3041.

88 / *Ibid.*, May 24, 1932, p. 3346.

all stations in Canada, and it would regulate "the leasing of hours to different advertising companies."⁸⁹

The bill on broadcasting had its weak or doubtful aspects, but these were not exposed during the discussions in Parliament. The legislation resulted from recommendations approved by a committee representing all parties, and presumably party leaders did not want to risk disrupting the inter-party agreement by opposing particular sections of the act. No doubt there was also the feeling (certainly present outside the House among supporters of public broadcasting) that since private interests were vocal and well entrenched, criticism of the bill in Parliament might only weaken the government's resolve.

The central deficiency in the 1932 Broadcasting Act was the wide gap between the heavy responsibilities laid upon the commission, and the limited autonomy granted to the commissioners and the limited means placed at their disposal. The commission was dependent upon the government not only for appointment but also for their funds. In spite of testimony given by Gladstone Murray, Spry, and others, the members of the Radio Committee did not seem to grasp the fundamental notion of a public corporation: that it should be given very considerable freedom in carrying out a commonly understood objective, that its governing body should be a broadly representative group who would take responsibility for all but the most fundamental questions of policy, and that the financial base of operations should not be immediately dependent either on sentiment within the cabinet or on the vagaries of political discussion in the House. At a time when Conservative members were in hot pursuit of the "extravagances" of a publicly owned company, the Canadian National Railways, the government was probably determined to exercise continuing supervision over the commission's operations.

In several important ways, the proposed broadcasting company in the draft legislation prepared in 1930 after the Aird Report had more autonomy than the Radio Commission established by the 1932 act. The company was to have had an assured income, based on licence fees paid over directly by the government, and supplemented by a fixed annual subsidy. The company could borrow money for capital expenditure; the commission could not. The company could authorize its own expenditures, except for the purchase of real property; the procedures for authorizing the commission's expenditures were those of a government department. The 1930 draft bill provided for a general manager, who

89 / *Ibid.*, May 25, 1932, pp. 3431-2.

would have had freedom in choosing his staff. The 1932 act was silent on the subject of a chief executive, and all staff were to be recruited through the Civil Service Commission. (This last provision was modified in 1933.)

On the other hand, the commission was assigned more complete responsibility for the regulation of frequencies and the number and power of stations, for the recommending of licences, and for the control of programs and advertising on private stations. In the 1930 draft bill, technical regulation was to have been left with the Department of Marine; and there was less emphasis on control of private broadcasting stations. The reason is obvious; in the changed economic circumstances of 1932, the government did not think it wise to expropriate stations on the scale recommended by the Aird Commission. The prime minister also had what Graham Spry has described as a “conflict within his soul” – he was a champion of private enterprise, and therefore concerned about the rights of the local station owners; at the same time, he saw that there were certain Canadian problems that could not be solved without the intervention of the community as a whole through the instrumentality of Parliament.⁹⁰ The 1932 act made provision for the ultimate possibility of taking over “all broadcasting in Canada,” but only after Parliament had given its specific approval. Bennett probably felt that before the country committed itself wholly to the public ownership of stations, it should find out what the commission could achieve by regulation, and by making available to private stations a national program service. This explains the emphasis in the act on the commission’s regulatory powers, and also the various ways in which the commission was circumscribed as an operator of broadcasting stations. The 1932 act was, however, explicit in giving the commission complete authority over network arrangements; this provision reflected the increased interest in network programs that had developed between 1929 and 1932. Another advance made by the 1932 act was the centralizing of power in one group of men, responsible only to the federal authority – rather than the previous attempt to divide program responsibility between federal and provincial units.

The feeling that the government should move very slowly in instituting its new policy was expressed by such publications as the *Financial Post*. On May 21, 1932 it carried a front-page dispatch reporting that the “mixed reception accorded the radio report had caused modification in government plans in regard to nationalization. ... The plan now is to leave major stations in Eastern Canada much as they are. Federal com-

90 / McArthur interview with Spry.

mission will lease time for national hook-ups, but will not attempt to expropriate them. ... The legislation is more popular west of the Great Lakes than in the East." On the same page, the *Financial Post* ran a long editorial warning that the legislation meant a huge expenditure of public funds, and that it represented "another step toward communism." If private stations were expropriated, Canadians would have only two groups of programs to choose from. The programs of the "government bureau in Canada ... will be [what] a kindly political autocracy will think it is proper" for the listener to hear; whereas United States stations will continue to broadcast programs in the widest possible variety. "The dice will be loaded against Canada on the score of variety, expense, quality and interest," with the result that American influences would continue to be felt in Canada on an even larger scale.

Saturday Night, which not long before had supported the "compromise" proposal advanced by the Canadian Manufacturers' Association, now wrote that the unanimity shown in adopting the committee report left the question "almost beyond the range of argument." The private radio interests had blundered by underestimating the extent of dissatisfaction in parts of Canada other than Ontario, and by their tactics of exaggerating the costs of nationalization. *Saturday Night's* editor (Hector Charlesworth) concluded that "while this journal was frankly 'from Missouri' when nationalization was first advocated, the weight of evidence and the terms of the report leave opponents no legs to stand on." The Ottawa correspondent reported that private broadcasters were already descending on Ottawa in force, anxious about the price they could get from the government for their stations. But the next week he reported that "nationalization will be by gradual process, not involving capital commitments."⁹¹

Before Parliament prorogued, an amount of \$400,000 was voted for the operation of the Radio Commission in the 1932-3 fiscal year. Some advocates of public broadcasting were concerned about the smallness of this figure, about the fact that all those on the commission were dependent on the government for their salaries (in other words, there were no unpaid directors), and about the lack of provision for a general manager. It was a quiet summer on the broadcasting front, but things began to stir in the autumn soon after Prime Minister Bennett made his three appointments.

91 / *Saturday Night*, May 21 and 28, 1932. In the meantime Charlesworth had decided to put his name forward as a radio commissioner. He wrote Bennett on May 19, and on the same date wrote Meighen asking for his support. (PAC, Arthur Meighen Papers)

5 THE CANADIAN RADIO-BROADCASTING COMMISSION: FIRST YEAR

THE PRIME MINISTER had said during the Commons debate that he thought one of the commissioners should be French-speaking and that another should be a well-informed radio engineer. An international radio conference was being held in Madrid in the fall of 1932, and the minister of marine left Canada before the commission was appointed. One of the two other Canadian delegates was Lt. Col. W. Arthur Steel, friend of W. D. Herridge and technical adviser to the Radio Committee earlier in the year, and a probable choice as one of the three commissioners. But the question of who would be the chairman and the vice-chairman was still open.

Bennett concentrated on the selection of the chairman, and left the nomination of a vice-chairman to the French-Canadian members of his cabinet. Gladstone Murray was mentioned as a possible member of the commission. On July 31 he wrote Plaunt (then living in Toronto) that Col. Steel was the only commissioner who was definitely appointed; but that Murray himself was being considered for chairman.¹ Finally, toward the end of September, Bennett made up his mind to invite Hector Charlesworth, the editor of *Saturday Night*, to be chairman of the commission.

Charlesworth, then a man of sixty, had been a journalist most of his life, first as a reporter and city editor in the Toronto daily press, then as associate editor of *Saturday Night* and, after 1926, as editor-in-chief. Although he wrote on general topics, he was known especially as a music and drama critic. He was not primarily interested in politics, but during the time he was editor his journal was generally sympathetic to the Conservatives.

The man named vice-chairman of the commission was Thomas Maher of Quebec City, a forestry engineer, a director of CHRC, and publisher of the weekly *Le Journal*. As newspapers immediately pointed out, he had been a Conservative organizer in Quebec, and in fact had run as a

1 / O'Brien, p. 315.

candidate in the 1930 general election against Pierre Casgrain, the Liberal member for Charlevoix-Saguenay. Liberal members of parliament were naturally critical.²

On October 15, *Saturday Night* (which Charlesworth continued to edit until the end of the month) revealed that "Major Gladstone Murray, an official of the BBC, who gave such illuminative testimony before the House of Commons committee last spring, is coming to Canada shortly after Christmas to render advisory assistance." Later in the year, Murray wrote Brooke Claxton that he had had "several characteristically fantastic interviews with R. B." The prime minister had admitted to Murray that one of the appointments had been made against his own better judgment, but was done for "important political reasons." Murray reported that Bennett had requested him to come to Canada "to put the Commission on its feet." Murray asked for "a cast iron assurance of fresh legislation to get the thing properly founded." Bennett, said Murray, was in a muddle: "He appears to admit a mistake in the constitution as well as a mistake in the appointments. Curiously enough, however, he does not admit that he went wrong in trying to combine the functions of chairman and chief executive."³ Murray arranged to go to Canada in March 1933 to survey the situation and to make recommendations to the government. The commission seemed resentful of his advisory role, and on his arrival he was given a frosty reception by Charlesworth.

Almost immediately after his appointment, Charlesworth revealed that the new commission would proceed slowly in establishing its own broadcasting facilities. From these statements, the Toronto *Telegram* took heart; and it scolded the Canadian Radio League for its offer to place before the chairman of the commission "conclusive evidence" that the commission should proceed at once to expropriate or rent stations throughout Canada.⁴ Charlesworth and Maher began work in Ottawa at the beginning of November but soon discovered that in the absence of Col. Steel in Europe, the commission had no legal existence until he returned for swearing in (which did not take place until mid-January 1933).

Spry and Plaunt were then in Toronto, editing the *Farmers' Sun*

2 / *Toronto Daily Star*, Oct. 6, 1932. When Lapointe criticized Maher's appointment in the House, Bennett defended it on the ground that past political activity should not exclude a man with professional qualifications; *Debates*, Nov. 6, 1932, pp. 1372-3.

3 / Murray to Claxton, Dec. 28, 1932, with copies to Plaunt and Spry. Quoted in O'Brien, p. 316.

4 / *Evening Telegram*, Oct. 26, 1932.

(which they had bought from the United Farmers of Ontario). In October, their newspaper commented on prospects for the Commission:

No three men in Canada have before them so difficult, and perhaps so thankless a task as the commissioners appointed to administer Canadian broadcasting under the authority of the Radio Act passed at the last session. The magnitude of the administrative problem, the difficulty of finance, the circumstances surrounding their own appointment, and their own diverse, even contrary, temperaments combine to place upon their shoulders unusual and serious burdens. Already, before they have even had a chance to go to work, the attack has begun.

And due to a fit of absence of mind or other mental condition, the Government officials drafting the Radio Act made an error, the consequences of which time, we fear, will increasingly demonstrate. There is no real and effective buffer between the paid commission and the Government; and there is no real and effective buffer between the commission and the public.⁵

The *Financial Post*, drawing attention to the commissioners' lack of executive experience, predicted financial trouble ahead. Mr. Charlesworth, it said, was a distinguished dramatic critic and a man of sterling character, but he was neither a trained business executive nor an administrator. Mr. Maher was "said to be a forestry expert and to have had some radio experience operating a small station in Quebec." Apart from his political affiliations, his qualifications appeared "nebulous." Col. W. A. Steel was a technical expert, "but without large scale administrative experience." Private enterprise would not have set up such a management. And the financial provision made in the act was "utterly inadequate." It was probable that in a year or two Parliament would have to vote more money. "Once the raid starts it may not stop short of \$10,000,000 or even \$50,000,000."⁶

At the beginning of December, E. A. Weir, formerly director of radio for the CNR, joined the CRBC as director of programs; and E. C. Buchanan, Ottawa correspondent for *Saturday Night*, and president of the Parliamentary Press Gallery, was hired as director of publicity. The *Farmers' Sun* predicted that Mr. Weir would be "the mainstay of the Commission."⁷

During this time, commissioners Charlesworth and Maher were busy getting their offices set up, interviewing applicants, and preparing to carry the first Empire Christmas broadcast from London; arrangements for this were the special responsibility of Weir. Charlesworth said the rumour had got around that the commission would be making two

5 / *Farmers' Sun* editorial, quoted in *Ottawa Citizen*, Oct. 20, and in *Ottawa Journal*, Oct. 22, 1932.

6 / *Financial Post*, Oct. 29, 1932.

7 / Reprinted in *Ottawa Citizen*, Jan. 31, 1933.

thousand appointments, and that he and Maher were “besieged by office-seekers.” In fact, when the CRBC went out of existence four years later, its staff across Canada was only 130.⁸

Fortunately, the Christmas broadcast, made available to Canadian stations, was a great success. The Toronto *Telegram* wrote (December 27) that the broadcast “was a vividly impressive presentation of the wide-set bounds of the British dominions ... the greatest family gathering that any Christmas has seen.” But the *Telegram*’s editorial made not a single reference to the Canadian Radio Broadcasting Commission.

1 *The Atmosphere in Ottawa*

After arriving in Ottawa, Charlesworth was distressed to find a government not very interested in his problems, hostility among some of the backbench supporters, criticism from the opposition, suspicion in the Department of Marine, and lack of understanding in the Civil Service Commission. Charlesworth sought clarification of the act from the solicitor general, Maurice Dupré, who was acting minister of marine while Duranleau was in Madrid. Charlesworth wrote that although “Mr. Dupré was courtesy personified,” he was of no assistance. The only one he could find who understood his difficulties was W. D. Herridge. The opposition members of Parliament were especially outraged by a remark Charlesworth made in answer to a reporter’s question: “If the politicians will let us alone, we shall be all right.” Charlesworth recalled: “My remark precipitated a full evening’s debate, when John-Francois [*sic*] Pouliot, M.P. ... especially distinguished himself. ‘Mr. Charlesworth’s tongue should be torn from his mouth and wound seven times around his whiskers,’ was one of his flights.”⁹

The politicians were indeed making life difficult for the commission. Under both Liberal and Conservative administrations, government supporters had been accustomed to make representations to the minister of marine on behalf of stations in their constituencies – supporting applications for licences, or increases in power, or trying to prevent a station owner who was of the wrong political persuasion from getting a desired frequency or power increase. After 1930, Bennett insisted that the minister (Duranleau) discuss all such matters with him, and representations therefore tended to go directly to his office.

8 / H. Charlesworth, *I’m Telling You* (Toronto, 1937), p. 52; hereafter cited as Charlesworth.

9 / *Ibid.*, pp. 54–5, 70–2.

It was natural enough in 1931 that the application of CFCN, Calgary, for a power increase from 500 watts to 10,000 watts should be referred to Bennett – he was the member for Calgary West – and that it should be personally approved by him.¹⁰ Other cities also concerned him. In the same year, he was promising Harrison Smith, the vice-president of Imperial Oil, to give his personal attention to the application of CFRB, Toronto, for a power increase to 10,000 watts.¹¹ (A. S. Rogers, the father of the president of Rogers-Majestic and CFRB, was on the board of Imperial Oil. After CFRB received its power increase, Harrison Smith, now president of Imperial Oil, became chairman of the board of Rogers-Majestic.) Similarly, Bennett heard appeals on behalf of two other Toronto stations that wanted a better wavelength, CKGW and CKCL. In both cases it was emphasized that the stations had served the Conservative party. R. A. Stapells of the Gibbons advertising agency reminded Bennett that the general manager of CKGW, R. W. Ashcroft, was “the good friend who did so much for us during the Election,” and that the Gooderhams, owners of CKCL, were Tories of the first order. “Their station at all elections has been unreservedly placed at my disposal. They have never allowed our Liberal friends the use of CKCL, and have at all times kept me posted during elections as to the air activities of the other side.”¹² In the shuffle of wavelengths that followed, it was the Toronto *Star*’s station, CFCA, that lost out. It ceased operating in 1933.

Elected members of the House of Commons and of provincial legislatures also sought the prime minister’s intervention. F. W. Turnbull, MP, wrote on behalf of a Regina applicant that “favorable arrangements can be made ... for Conservative use of the station.” The minister of immigration, Wesley Gordon, pushed the claims of a Toronto station. The premier of Ontario, G. S. Henry, and D. M. Wright, MP, supported the interests of the *London Free Press* station; and Wright was also active on behalf of CFRB.¹³

Conservative supporters still expected Bennett to act even after the

10 / PAC, Bennett Papers, C. P. Edwards to Bennett, March 25 and 30, 1931; Bennett to W. W. Grant, April 20, 1931.

11 / *Ibid.*, G. H. Smith to Bennett, March 12 and Oct. 19, 1931, Feb. 16, 1932; Bennett to Smith, March 14, Oct. 19, 1931; Feb. 24, 1932. Bennett to Duranleau, Dec. 31, 1931; Duranleau to Bennett, May 5, 1932.

12 / *Ibid.*, Ashcroft to Stapells, Jan. 9, 1931; Ashcroft to Bennett, Jan. 27 and May 4, 1931; Bennett to Duranleau, March 14, 1931; Stapells to Bennett, Oct. 27, 1931.

13 / *Ibid.*, Turnbull to Bennett, Sept. 21, 1931 and Feb. 27, 1932; Gordon to Bennett, Oct. 26, 1931; G. S. Henry to Bennett, June 13, 1932; Wright to Bennett, June 14 and Sept. 7, 1932; Sept. 8, 1933.

commission had assumed the responsibility for licensing stations. A Saskatchewan MP, W. A. Beynon, complained about the commission's response to the requests of a Moose Jaw station; and Ralph Webb and James A. Richardson strongly protested the commission's refusal to increase the power of Richardson's Winnipeg station, CJRC.¹⁴ But perhaps the messages sent Bennett by R. B. Hanson, the Conservative member from Fredericton, most graphically illustrate the commission's vulnerability to political pressure.

In the spring of 1933, the commission extended a 500-watt licence for CFBO, Saint John, and made arrangements for the station to carry CRBC programs in that area. R. B. Hanson, acting as legal counsel for CFNB, Fredericton, was furious. He claimed that Stewart Neill, the owner of CFNB, had had an application in for greater power since 1931, and that CFBO's increase represented not a renewal, but a new licence. He argued, "From the political standpoint, it is most important that we should have this license given to those who are absolutely our friends rather than those who are not." In a subsequent letter, he wrote: "Now this is going to be a serious matter for Charlesworth and the Radio Commission. It comes home pretty close to me. Neill is my brother-in-law. ... If the matter is not straightened out, I intend to attack Charlesworth on the floor of the House. ... I want that Station in Fredericton for political and other purposes."¹⁵ Until the records of the Canadian Radio Broadcasting Commission are opened, it is difficult to tell exactly what happened after that; but the annual report of the CRBC for the calendar year 1933 shows CFBO's authorized power as 100 watts, CFNB's power as 500 watts. CFBO ceased operation in 1934.

It was not only the politicians who offered opposition. Charlesworth believed that there was "bitter heart-burning" in the Department of Marine when Col. Steel, rather than someone from the department, was placed on the commission. "Many Civil servants are lobbyists on the sly and because of this promotion they busied themselves pouring poison into the ears of private members and even of Ministers with regard to our Commission."¹⁶ There was some basis for the department's unhappiness; allocation of broadcasting frequencies had been completely removed from their jurisdiction, and the department felt that the technical problems of allocating these and other kinds of radio frequencies could not be satisfactorily separated. Years later, an official of the

14 / *Ibid.*, Beynon to Bennett, Aug. 21, 1934; Webb to R. K. Finlayson, Jan. 5, 1935; Richardson to Bennett, Jan. 31, 1935.

15 / *Ibid.* Hanson's correspondence is between May 12 and June 22, 1933.

16 / Charlesworth, p. 59.

Department of Transport said that they had no adequate record of the technical decisions that were made in this period.¹⁷

Charlesworth was also baffled and frustrated by governmental methods of supervising expenditures and hiring staff. He spoke of the “star chamber tribunal, known as the Treasury Board, whose ways pass comprehension. ... Half of those who have to pass on expenditures do not know what it is all about. Thus the Treasury Board is really run by two or three bureaucrats attached to the Department of Finance whose identity is unknown to the general public.”¹⁸ The expenditures of a broadcasting organization were no doubt sufficiently unusual to interest or mystify civil servants attempting to apply regulations drawn up for more routine affairs. The Radio Commission also had trouble about appointments. Charlesworth wrote that officials of the Treasury Board scrutinized every appointment, however junior, that was made, to see whether there was any flaw in its legality. Charlesworth was aware that the minister had “a theory that he should make the appointments rather than the Commission.” He tells a story of one minister who had a penchant for attending funerals in his own constituency. “I would find that urgent business entrusted to him had not been brought before the Treasury Board at all because he had been absent at such a ceremony.”¹⁹

The attitude of the Liberal members toward the commission, already suspicious because of Maher’s appointment, was not improved by an action of the government in licensing a new station in Montreal three days before two of the commissioners took their oath of office. The station concerned was CHLP, belonging to *La Patrie* which prior to the 1930 election had been purchased by Quebec Conservative interests.²⁰ The station was licensed on October 28; on October 31 two of the commissioners were sworn in, and henceforth had the responsibility of recommending licences for new stations. Lapointe recalled that in 1930 the policy had been established that no new stations would be licensed until the report of the Aird Commission had been acted upon. The Liberals had supported the legislation to establish a non-political radio commission, which was to supervise the issuance of station licences:

But [Lapointe said] on October 28, 1932, three days before the commission was sworn in and twenty-three days after it had been appointed, the Minister

17 / Interview with W. A. Caton, controller, Radio Regulations Division, Dept. of Transport, Ottawa, March 31, 1965.

18 / Charlesworth, p. 77.

19 / *Ibid.*, pp. 79–81.

20 / *Financial Post*, Aug. 26, 1933. *La Patrie* was sold to *La Presse* in the summer of 1933.

of Marine issued the radio license to *La Patrie* in Montreal. I say that was an insult to parliament, and a violation of the law. It was an insult to the members of the commission. ... I protest against this thing having been done obviously for political purposes.

Duranleau replied that the members of the commission had not been consulted because they were not yet in office. In fact, two licences had been issued the previous year (Windsor and Port Arthur). In Montreal, the largest city of Canada, there were only two stations (CKAC and CFCF), and those not as powerful as certain stations in other cities. It was true that *La Patrie* was a Conservative paper; did opposition members want only one side of the story to be printed and broadcast?²¹

Euler resumed his attack on the broadcasting situation in Windsor. It was said that ninety per cent of its programming and advertising came from United States sources. If so, the minister should cancel the station's licence. Duranleau replied that the station was now under Canadian control. More than fifty-one percent of the capital was owned by Canadians, and all the directors were Canadians. He admitted that an undue proportion of time was given over to American programs, and hinted that the commission was not exercising as close control over the station as it would have if "radio stations had remained under the jurisdiction of my department."

The minister seemed to be expressing a lack of confidence in the commission system, and a Liberal member asked: "But is the commission not under the control of the Minister?" Duranleau attempted to recover: "To some extent, yes; they have to report to me. I have to be their spokesman in this house. But the commission has control over stations. I can say that the station in Windsor is carefully looked after by the radio commission, and I think that within a short time it will see that the station is operating according to the law." Duranleau explained that the commission was under his control to the same extent that the Railway Commission was under the control of the minister of railways. "The commission has administrative powers; the only requirement is that they report to the minister once a year."²² Of course, the minister was seriously understating the amount of government control since the commission's actions and recommendations required government approval much more often than annually.

During this discussion in the House of Commons, the Liberal opposition raised several questions of substance: the granting of a broadcasting licence to a political supporter of the government when the

21 / *Debates*, Feb. 28, 1933, pp. 2563-9.

22 / *Ibid.*, pp. 2571-5.

commission was preparing to begin work; the use of a Canadian station for relaying American programs and American advertising; and the uncertain relationship between commission and government. The opposition failed to question an equally important matter: substantial increases in power granted to a Toronto station, CFRB, already affiliated to an American network, and to a Calgary station, CFCN, actively seeking such affiliation. These stations were authorized to raise their power to 10,000 watts. The increase at CFRB took place in 1932 exactly at the time a committee of the House was recommending that in future the principal stations should be under national ownership.

The irony of the situation, in which one branch of government authorized an action contrary to the spirit of a recommendation apparently supported by the whole House, was in part paralleled by what had happened under the previous Liberal government. In 1929, even as a royal commission was recommending steps to maintain Canadian control of stations and programs, the larger stations in Toronto and Montreal began to affiliate with American networks. Here were evidences that, in the broadcasting field, Canadian public authority was most reluctant to interfere with private initiative or with property values. Those stations with American network affiliation before 1933 were never forced to disaffiliate; nor were the larger stations required to reduce their power in spite of a principle approved by the House of Commons and (apparently) the government, that such privately owned stations existed to serve local needs.

The atmosphere in Ottawa was not one to encourage bold initiative in the launching of a new broadcasting system. The government was beset by more serious and critical problems – the great depression, drought on the prairies, the contraction of world markets, unemployment, and the disruption of the 1919 international settlement. The prime minister's time and attention were taken almost completely by these larger matters, and by such domestic political concerns as the price-spreads inquiry, the Stevens defection from the government and the Conservative party, the appearance of the CCF as a new third party, the inroads of Social Credit in Alberta, the creation of the Bank of Canada, and the prime minister's belated attempt to introduce a Canadian New Deal. Yet in spite of all these pressures, it was Bennett who came to the defence of the Canadian Radio Broadcasting Commission whenever it was under attack. The other members of the cabinet were less interested, and the CRBC itself did not have a board of directors independent of the government from whom the chairman might have summoned support. Given this situation, and the slender financial resources at the commis-

sion's disposal, it is remarkable that Charlesworth and his associates attempted so much.

2 A Fast but Stumbling Start

Col. Steel was sworn as the third commissioner on January 18, 1933. He was the only commissioner with a technical knowledge of radio, he had worked with the 1932 parliamentary committee, and from his experience with the Department of National Defence and the National Research Council he knew how government services operated. He was to be the most important member in the functioning of the commission.

As the body charged with regulating the broadcasting system and providing a national program service, the commission confronted many tasks. In 1932 the government had negotiated a new allocation of frequencies for Canadian use. The CRBC had to redistribute these among the private stations, meanwhile checking on technical standards of transmission and deciding whether, under the new conditions, a station's power should be increased, decreased, or maintained at the same level. The commission had to draw up and issue regulations for the operation of stations, the control of advertising, and the broadcasting of controversial programs. Arrangements had to be made with the wire companies which would allow the establishment of networks under commission control, and network agreements had to be concluded with individual stations across the country. The CNR wanted to dispose of its stations; this had to be negotiated. If the commission were to produce programs itself, it would have to arrange for studios in Montreal and Toronto, and perhaps transmitters as well. Staff had to be recruited, and the planning and production of programs begun. At the same time the commission had to seek the necessary co-operation from the government, and to devise means for the answering of criticism which everyone knew was in the offing.

Finding themselves much restricted by the act, the commission in early March 1933, tried to get the act amended. A draft bill was printed which would have given each member of the commission the rank of a deputy head of a department; allowed the commission to appoint its own staff and to acquire stations without the consent of Parliament; and given the commission the right both to expend the revenues authorized by Parliament and to make its own arrangements for an independent auditing. The proposed bill was referred to the Department of Justice, and the deputy minister of justice gave it as his opinion that "none of

its provisions are required in the public interest.” He suggested that rather than trying to improve the wording of the bill, it would be better to drop it altogether.²³

With this rebuff, the commission might have decided to delay the institution of a program service, and spend time in making surveys, drawing up regulations for private stations, and recruiting staff. This would also enable the commission and the government to await the report which Gladstone Murray would make a little later in the year.

Charlesworth and his fellow commissioners decided instead to press forward on all fronts at once. No doubt they were sensitive to complaints in Parliament and the press about the expensive new commission with which the country was saddled. They hoped that the establishment of a nation-wide program service would provide a tangible basis for listeners’ support; inexperienced as they were in the building of programs, they did not realize how hard it is to please. Even more important, there were signs that unless they moved to occupy the territory staked out for them, it might suddenly be withdrawn with little chance for them to recoup their position. Charlesworth’s book, written in 1937, tells what happened when Bennett left on a trip to England in June 1933:

One morning in June ... I got a message from the Minister of Marine. ... The Government had asked him whether we could not get along on \$500,000 for the current year, instead of using the million dollars voted to us. ... The sum suggested would no more than pay wire charges and administration costs. ... I took my colleagues with me and went to see Hon. Mr. Duranleau. He disclaimed any responsibility for such a suggestion but said it had been put to him by colleagues. ... Some of them had been in favour of the Commission ceasing operations for a full year ... merely ... doing “preparatory work.”

I quickly gave Mr. Duranleau my ultimatum. ... “I shall at once cable Mr. Bennett in London resigning the Chairmanship. ... I am due to leave Ottawa ... for the West. ... Everywhere I go I shall say that I have resigned and tell the reason why.”²⁴

Charlesworth implies that his threat ended the matter, but there was more to the story. Someone tipped off Herridge in Washington about what was going on, and he responded with a letter of protest to the acting prime minister, Sir George Perley. He recalled that he had always been active in supporting the principle that broadcasting should be owned and controlled by the people, and had been closely associated with the various measures that led to the passing of the Broadcasting

23 / Bennett Papers, draft bill to amend the Canadian Radio Broadcasting Act, 1932; memorandum, W. Stuart Edwards to minister of justice, April 8, 1933.

24 / Charlesworth, pp. 68–9.

Act. That act had decided that radio should be owned and operated independently of private enterprise, and the government had received enormous credit for it, particularly in Western Canada. The proposed reduction in the commission's estimates would hamstring the commission and in large measure destroy the benefits of "a piece of superbly constructive legislation." Moreover, politically it would be a mistake; the government would be charged with surrender to the private interests.²⁵

On July 12, Perley conceded in a letter to Charlesworth that the commission had already committed nearly the entire million dollars, and all he could now do was urge economy. He received a message from Bennett asking for an explanation which was cabled to him on July 17: "Friday night you asked about radio estimates. Before Rhodes and you left suggested reductions were prepared for and sent out by Treasury Board to provide fourteen millions. These suggestions included Radio Commission and they were asked consider reduction their expenditure to five hundred thousand instead of one million in estimates. This certainly was not my idea and very slight inquiry showed that such reduction was impossible." Bennett replied that he had not known of the proposed reductions until recently, and added, "Obviously in view of statement in House this money is not ours to control."²⁶

Whatever the reasons that prompted the commission's haste, there is little doubt that it tried to do too much too fast. They stumbled in their first months of operation, and they suffered a loss in public esteem from which they only slowly recovered.

The nucleus of the commission's staff came from the radio service of the Canadian National Railways. In April Parliament authorized the commission to purchase the CN stations in Ottawa, Vancouver, and Moncton, and studio equipment in Montreal and Halifax; the amount paid was \$50,000.²⁷ The station in Moncton was obsolescent and soon had to be scrapped; but at least the commission now had two stations of its own, in Vancouver and Ottawa.

Even before the Canadian National stations and engineering staff were transferred to the CRBC, the commission drafted regulations which all stations were to observe; these were approved by order in council, and came into effect on April 1, 1933.²⁸ There were 108 regulations, most of them having to do with the technical requirements of station operation;

25 / Bennett Papers, Herridge to Perley, June 26, 1933.

26 / *Ibid.*, Perley to Charlesworth, July 12; Perley to Bennett, July 17; Bennett to Perley, July 25, 1933.

27 / *Debates*, April 24, 1933, p. 4194; April 25, pp. 4241-59.

28 / "Rules and Regulations, C.R.B.C." (Ottawa, April 1, 1933); approved by PC 535, April 15.