

## Section 4.—Privately Owned Radio Broadcasting Stations\*

Privately owned (non-government) broadcasting stations began operations during the early 1920's, about 12 years before any other broadcasting service was available in Canada. By 1929, 65 of these stations, operating mainly in non-metropolitan areas, provided regular broadcasting service to Canadian communities. In 1954, such stations numbered 147, with a total wattage of 404,450 in daytime and 377,700 at night. Operating in conjunction with AM stations are 29 FM stations with combined power of 49,985 watts. In addition, there are eight shortwave stations operating in conjunction with AM stations, having a combined wattage of 6,685.

Generally, the privately owned stations are limited in power to 5,000 watts, many operating at 1,000 watts and some at 250 watts. Two non-government stations (CFRB Toronto and CKLW Windsor) have, since 1948, operated at 50,000 watts. Privately owned stations serve, primarily, the localities in which they are situated, the nature of the "community" served varying with circumstances. Many such stations are located in relatively small urban centres. Here, however, they serve not only the urban centre population but a larger population located in surrounding rural areas. Others serve medium-sized and metropolitan cities and, in addition, the population of cities or towns adjacent to the centre in which the station is located together with rural audiences in districts between or beyond the urban areas.

Privately owned stations have a combined capital investment currently estimated at approximately \$40,000,000, employ more than 5,000 persons, and disburse in salaries and wages an estimated \$11,000,000 annually. Revenue is obtained entirely from commercial advertising and these stations receive no part of the special 15-p.c. excise tax charged against the purchase of receivers and parts. The privately owned stations are required to pay transmitter licence fees to the Canadian Broadcasting Corporation; these totalled approximately \$245,300 in the year ended Mar. 31, 1954.

Recent years have shown a marked increase in the interest taken in broadcasting by commercial, political and legal interests, since it has become more generally recognized that broadcasting is a form of publication and a basic means of mass communication in North America. A review of this development may be found in Minute Book No. 5 of the 1951 Special Committee on Radio Broadcasting, Nov. 28, 1951, and in Minute Book No. 9 of the 1953 Special Committee, Apr. 29, 1953.

According to figures submitted to the Royal Commission on National Development in the Arts, Letters and Sciences in April 1950, the privately owned stations showed a net profit of 9 p.c. in 1948, figured as a percentage of capital, as against 7 p.c. in 1947 and 8 p.c. in 1946. The 1948 profit, as a percentage of operating revenue, was 10 p.c. as against 8 p.c. in 1947 and 10 p.c. in 1946. These figures are based on reports obtained by the Department of Transport from 109 stations in 1948, 108 stations in 1947, and 88 stations in 1946. Thus, the average net profit per station was \$12,516 in 1948, \$8,597 in 1947 and \$11,228 in 1946. Of the 109 stations reporting in 1948, 79 showed an aggregate surplus and the remainder an aggregate loss. Though no official compilations have been prepared since that time, unofficial estimates indicate that the 1954 position was relatively the same in terms of percentages.

\* Revised by T. J. Allard, Executive Vice-President, Canadian Association of Radio and Television Broadcasters, Ottawa.