

Who speaks for the public?: The Debate over Government or Private Broadcasting in Newfoundland, 1939-1949

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Who speaks for the public?: The Debate over Government or Private Broadcasting in Newfoundland, 1939-1949

AFTER MARCONI'S RECEPTION OF THE FIRST transatlantic radio signal at Signal Hill in 1901, Newfoundlanders realized that radio broadcasting could perform a great public service by bringing information and entertainment to remote communities. Neither the government nor business, however, took much advantage of the technology until the 1930s as, until that time, fledgling commercial broadcasters served the public and marketed products while the government was preoccupied by fiscal crises. When the democratically elected Newfoundland government was replaced by a British-appointed Commission of Government in 1934, it became possible for the state to take a more active role. The government pursued a bold agenda of economic reconstruction and social reform, including the creation of a government-owned broadcaster in 1939 and it, in turn, wanted the Broadcasting Corporation of Newfoundland (BCN) to publicize the government's activities and to encourage the public to participate in its reconstruction projects. This initiative to develop a non-commercial broadcaster in Newfoundland, and similar efforts elsewhere in Canada and in the United States, provoked conflict with the privately owned industry and a substantial amount has been written on the Canadian and American experiences in this regard during the 1920s.¹

The early debate over the structure of radio broadcasting in Newfoundland, however, which came more than a decade later, has not been studied. This essay seeks to fill that void by examining the relationship between the state-owned VONF and the privately owned VOCM in Newfoundland. In the 1940s the commercial competition between these two broadcasters was matched by an ideological struggle over whether government or private ownership best served the public interest. There was little disagreement over the meaning of "public service": both broadcasters agreed that providing news and entertainment to isolated rural listeners was vital and that radio

1 There is an extensive historiography on the debate between public and private broadcasting in North America, although the case of Newfoundland has not received much attention to date. This essay addresses that lacuna. Major works in this historiography include the following: Susan Smulyan, *The Commercialization of American Broadcasting, 1920-1924* (Washington, 1994); Robert W. McChesney, *Telecommunications, Mass Media, and Democracy: The Battle for the Control of U.S. Broadcasting, 1928-1935* (New York, 1993); Margaret Prang, "The Origins of Public Broadcasting in Canada", *Canadian Historical Review*, 46, 1 (March 1965), pp.1-31; E. Austin Weir, *The Struggle for National Broadcasting in Canada* (Toronto, 1965); Mary Vipond, *Listening In: The First Decade of Canadian Broadcasting 1922-1932* (Kingston and Montreal, 1992) and Marc Raboy, *Missed Opportunities: The Story of Canada's Broadcasting Policy* (Kingston and Montreal, 1990).

could be an effective tool to educate listeners and allow them to participate in the public life of their country. The disagreement between VONF and VOCM was over which system – private ownership or centralized government control – best met these needs. While the government favoured a state-owned monopoly, Joseph L. Butler, the owner of radio station VOCM, defended his business with an alternative view. Whereas the government-owned station, VONF, presented itself as the official “Voice of Newfoundland”, Butler dubbed VOCM the “Voice of the Common Man” and insisted that it was his station that spoke for the public. The competition between the two stations, however, was not conducted upon a level playing field, primarily because the Broadcasting Corporation of Newfoundland was mandated to regulate its commercial rival, as was the case with the Canadian Broadcasting Company (CBC) and its private competition. Unlike the situation in Canada, though, the Newfoundland government was not democratically elected. Avenues for business to apply political pressure were limited; since the Commission of Government was a bureaucracy not tempered by a legislature, its commissioners were predisposed to accept the arguments for administrative efficiencies offered by the state-owned broadcaster. Furthermore, many of the key officials were British and favoured a state monopoly broadcaster as similar to the British Broadcasting Corporation (BBC) as was possible given local conditions. The BBC embodied both the desire for the cultural uplift of listeners and bureaucratic efficiency, which the BCN attempted to emulate. The relationship between the state-owned and the privately owned broadcasters also unfolded within the context of wartime patriotism, the re-emergence of politics through the post-war constitutional debate and the vulnerable position of Newfoundland in the international allocation of frequencies.

Soon after taking power in 1934, the British officials within the Commission of Government discussed replacing the North American-style existing commercial broadcasters with a government-owned broadcaster similar to the BBC.² In Canada, the role of the Canadian Radio Broadcasting Commission and the role of the Canadian Broadcasting Corporation were affected by their relationship with the existing privately owned broadcasting industry. In Newfoundland, the government initially hoped to purchase the Dominion Broadcasting Company’s VONF and establish a monopoly but, as in Canada, was prevented from doing so by existing broadcasters. Within the government, the movement for a public monopoly was spearheaded by Secretary of the Department of Posts and Telegraphs, G.D. Frazer, who had been seconded from the General Post Office of the United Kingdom. The owner of the principal commercial broadcaster at that time, R.J. Murphy of the Dominion Broadcasting Company, sold VONF to the government, and most of the employees accepted jobs with the government-owned station.³ There was one exception, however, which made the establishment of a monopoly problematic. While the

2 Jeff A. Webb, “The Origins of Public Broadcasting: The Commission of Government and the Creation of the Broadcasting Corporation of Newfoundland”, *Acadiensis*, XXIV, 2 (Autumn 1994), pp. 88-106.

3 “Joseph L. Butler”, *Encyclopaedia of Newfoundland and Labrador*, vol. 1 (St. John’s, 1981), p. 302; “William F. Galgay”, *Encyclopaedia of Newfoundland and Labrador*, vol. 2 (St. John’s, 1984), p. 416; “Robert J. Murphy”, *Encyclopaedia of Newfoundland and Labrador*, vol. 3 (St. John’s, 1991), p. 655.

commission worked out the details of its broadcasting policy, and after the government intention to establish its own centralized station became known, Joseph Butler left his position as chief operator of VONF to establish his own station.⁴ In 1936 he entered into a partnership with Walter B. Williams, who had operated a small home-built transmitter under the call sign VOCM. Butler purchased a new transmitter from the United States and established his own Colonial Broadcasting System Limited, making use of the existing VOCM licence.⁵ Butler and Williams rejected Frazer's offer to buy their station and hire them as operators of the government-owned station at an annual salary of \$2,000, after which Frazer decided they were not "deserving of any further consideration".⁶ At this point the Commission of Government might have cancelled VOCM's licence, but the Governor of Newfoundland, Humphry Walwyn, feared criticism for suppressing private enterprise.⁷ As the Commission of Government explained to the Dominions Office, it might have put VOCM out of business by refusing to renew its annual licence the next time it came up for renewal, but "such an action would be regarded as tantamount to the suppression by the Government of a possible competitor, and would tend to give the new Central Station a bad start".⁸ A wait-and-see attitude was more prudent. William F. Galgay, who remained as general manager of VONF when it made the transition from private to government ownership, later reported that Frazer "made clear to Mr. Butler that no increase would be permitted in the power of the station nor could he expect assistance or consideration in any form" and that "Mr Frazer confidently expected that VOCM would eventually go out of business and no further private stations would be licensed".⁹ An antagonistic relationship between the broadcasting corporation and VOCM had been established.

The formation of the Commission of Government's broadcasting policy was affected by the non-democratic nature of the government. To avoid giving the public the impression that the commission was creating a propaganda apparatus and restricting the operations of private enterprise, it appointed a committee of citizens to

4 His move may have been prompted by concern that his career was not assured had he remained at VONF. In 1935 H.L. Kirke, of the BBC, interviewed many Newfoundland broadcasters while preparing a report upon the feasibility of establishing a public broadcasting station. Kirke reported that Butler did not get along with others and thought him not a good engineer because he was "too inclined to experiment". See H.L. Kirke Report, 11 November 1935, DO35/505/N1071/18, Public Record Office (PRO) (London).

5 VOCM operated for a while before the Colonial Broadcasting System Limited was incorporated on 30 April 1937. Joseph L. Butler is recorded as owning 26 shares, his wife Evelyn owned 22, Walter B. Williams, Sr. owned 25 and Walter B. Williams, Jr. owned 24. Butler enhanced his ownership in 1949 when he invested money and the company issued additional shares, and the Williams family became minority shareholders. See Government of Newfoundland and Labrador, Colonial Broadcasting System Limited, Registry of Companies, file 01505.

6 G.D. Frazer to Commissioner of Finance, 4 August 1937, Galgay Papers, file 58, Centre for Newfoundland Studies Archive (CNSA) (St. John's).

7 Governor to Secretary of State for Dominion Affairs, 12 November 1937, reel B-5018, DO 35/738/N118/8, Library and Archives of Canada (LAC) (Ottawa).

8 W.H. Horwood, Administrator, to Malcolm MacDonald, Secretary of State for Dominion Affairs, 2 April 1938, reel B-5018, DO35/738/N118/17, LAC.

9 General Manager to Governors, Subject – comment on VOCM correspondence, 4 October 1947, file 18, Galgay Papers, CNSA.

draft legislation creating the state-owned broadcaster. The Commission of Government could then claim the recommendations came from the public. Since the committee used the Canadian Broadcasting Act as a model for its own legislation, the Newfoundland Broadcasting Act reproduced the CBC's responsibility for regulating privately owned broadcasters, which had been a frequent source of irritation to privately owned broadcasters in Canada. This created a situation in which tensions between the BCN and VOCM were likely. That potential became evident when the British-born Commissioner for Finance, John Penson, proposed regulations that allowed for a significant degree of intervention into the business of privately owned stations. In some respects the regulations went further than those of the CBC: stations could be required to give programming to the BCN before putting it on the air and no station could rebroadcast programmes from other stations without the permission of the government station. Other clauses in the proposed regulations paralleled the Canadian regulations: privately owned stations could not broadcast news they gathered from newspapers or rebroadcast foreign news gleaned from other broadcasting stations without the BCN's permission. Penson also endeavoured to regulate the morality of programmes: broadcasters were not to mention birth control methods or advertise spiritous beverages. Should the BCN suspect a station of a violation of the regulations, the corporation could examine the records of the station and question its employees. Violation or nonobservance of a regulation could result in the station having its licence suspended for a period not exceeding three months.¹⁰

While broad public support existed for the enhanced service promised by the BCN, a few people questioned the contention that Newfoundland's national interest was best served by a government-owned broadcaster.¹¹ Likewise, not everyone thought that having the state-owned broadcaster regulate its privately owned competitor was a good idea. The Board of Trade, which represented the St. John's business community, favoured the creation of a centralized broadcaster, but wanted provisions to be made for privately owned broadcasters as well. The Board of Trade feared that requiring privately owned stations to submit programming to the government station prior to it going on the air would be an impediment to their operations. Secondly, it suggested that the Newfoundland Broadcasting Act should specify the conditions under which future licences for privately owned stations could be granted. Such a change would ensure that potential entrants to the industry knew the requirements of a licence. The broadcasting committee, though, decided that no case had been made against maintaining the requirement that private broadcasters send copies of material to be broadcast to the state-owned broadcaster. To the second objection, the committee responded with the disingenuous suggestion that providing rules for new entrants into the field was outside the concern of the BCN.¹² The Board of Trade also thought it undesirable that the commissioner of finance should have a veto over the

10 Regulations for Broadcasting Stations made under the Newfoundland Broadcasting Act, Chapter Two 1939, GN 6 1939-1947, Provincial Archives of Newfoundland and Labrador (PANL) (St. John's).

11 C.L. Parkins, for example, unsuccessfully tried to enlist the Board of Trade in a campaign of opposition to the creation of a government-owned station which he believed would stifle privately owned stations. See C.L. Parkins to H.T. Renouf, 28 September 1937, Newfoundland Board of Trade, MG 73, box 32, file 17, PANL.

12 Meeting of Broadcasting Committee, 20 December 1938, GN 6 1939-1947, PANL.

financial decisions of the broadcasting corporation or that one official should have censorship authority and power to regulate privately owned stations. At a meeting between Commissioner Penson and representatives of the Board of Trade on 19 January 1939, Penson conceded their point that the governors of the BCN should not be overruled by a commissioner. Penson did not accept, however, the Board of Trade's recommendations on censorship or the regulation of private broadcasters. While the Board of Trade might have been expected to sympathize with private industry, it approved of Penson's plans.¹³ Neither Frazer nor Penson intended to grant new licences and expected existing broadcasters to fail. In the absence of significant opposition the path was clear to develop a state monopoly.

The Newfoundland Broadcasting Act (1939) gave the BCN the authority to make regulations for the establishment and operation of privately owned stations as well as to "control the character" of programmes broadcast "including the extent and character of advertising matter".¹⁴ The Commission of Government developed draft regulations, such as limiting advertising to 10 per cent of the total time of each programme and a ban upon mentioning the price of goods on the air. A potentially more draconian regulation gave the BCN the right to force a privately owned station to "change the quality or the nature of its advertising broadcasts".¹⁵ The regulations would have come into effect upon publication in the *Newfoundland Gazette* and one daily newspaper. No such regulations were published, perhaps in part because of the preoccupations of the Second World War and Newfoundland's subsequent constitutional debate. The commissioners, who were sensitive to being perceived as dictators, may also have hesitated to put such provocative regulations into force when they assumed that the privately owned stations were going to go out of business anyway. This left the privately owned broadcasters in a regulatory vacuum in which the status quo was maintained and the BCN's efforts to regulate seemed capricious.

On 13 March 1939, VONF signed on the air as a state-owned broadcaster and assumed shared responsibility for regulating the industry with the Department of Posts and Telegraphs. Since the Secretary of Posts and Telegraphs, Frazer, also sat on the board of governors of the BCN, he had great influence over privately owned stations with which the BCN competed. Otherwise, there was little immediate change in the way that VONF operated when it changed from private to state ownership. If Butler had hoped that VONF would monopolize commercial radio once the government station was established, he must have been disappointed. The broadcasting corporation continued to accept advertising even though it received revenue from the licence fees paid by Newfoundland listeners and VONF's fee for a broadcasting licence. VONF had to live under the regulatory thumb of the BCN – its competitor for audience attention and advertising dollars. Since the BCN had its operations subsidized by the licence fees, the competition for advertisers was not conducted on a level playing field.

13 Summary of meeting titled "Re Proposed Act Respecting Broadcasting", 20 January 1939, Newfoundland Board of Trade, MG 73, box 36, file 16, PANL.

14 An Act Respecting Broadcasting, 1939, no. 2, section nine, *Newfoundland Gazette*, XV, 5, 31 January 1939.

15 Regulations for Broadcasting Stations made under the Newfoundland Broadcasting Act, Chapter Two, 1939, GN 6 1939-1947, PANL.

While VONF and VOCM competed against each other, they also occupied different rhetorical niches. The BCN attempted to both entertain and to serve the government's propaganda purposes; VONF was the official "Voice of Newfoundland" both to Newfoundlanders and to people in other countries. That enabled Butler to portray VOCM as the independent alternative to the government station – the "Voice of the Common Man". Only a month after the establishment of the BCN, VOCM proved its willingness to give a voice to those who opposed the Commission of Government and who accused the BCN of being a government-propaganda apparatus. Kenneth Brown, the President of the Fishermen's Protective Union (FPU) and former member of the House of Assembly, criticized the government station; claiming that he represented a large segment of the people of the country, Brown requested the opportunity to broadcast a reply to J.J. Thompson's claims that the newly formed Newfoundland Lumbermen's Association rather than the FPU represented loggers. The BCN turned down the request, as it had turned down Thompson's earlier request to use the station. This prompted Brown's appearance on VOCM on 29 April 1939. In that speech, he encouraged FPU members to prepare for violence against the Lumbermen's Association, which may have been the reason the BCN had declined Brown's request in the first instance. Brown went on to condemn the government-owned station in ways that challenged the BCN's claim to represent the public:

The reason advanced for establishment of this big government station was that the interests of the Newfoundland people and the country in general should be served. . . . We may talk about Hitler and Mussolini, but are we under a dictatorship in this country? How much longer will the station over which I am speaking to you tonight, be extended the privilege of free speech? What would be the position if a movement were started tomorrow to bring about the restoration of some form of responsible government in Newfoundland? Would the facilities of VONF be made available to the leaders of such a movement? It is time the Broadcasting Corporation of Newfoundland made public the policy under which it is operating so we all may know where we stand in relation to radio freedom. If the station were erected for the benefit of Newfoundland and Newfoundlanders and not merely as a government propaganda bureau.¹⁶

A recording of this speech is among the extant recordings kept by the BCN, presumably made in case the corporation decided to take action against either Brown or VOCM.

News broadcasts were another source of aggravation between VOCM and the BCN. The state-owned broadcaster relied heavily upon the BBC for both entertainment and foreign news content, priding itself as a reliable news source.

16 K.M. Brown, 20 April 1979, F27570/79-007 (CD887), Memorial University of Newfoundland and Labrador Folklore and Language Archive (MUNFLA) (St. John's).

VOCM wanted to broadcast BBC programming as well, but the BBC rejected Butler's application since its policy was to deal directly with national broadcasters where available; VOCM was advised to ask if the BCN wanted to hand over BBC programmes it did not need.¹⁷ Meanwhile, the Newfoundland Butter Company, which sponsored the international news on VONF, complained to the BCN that while it purchased news from the Trans-Radio News Service and paid for Al Vardy to read it, VOCM gathered news from other broadcasters without paying. Since VOCM provided three broadcasts a day, the Newfoundland Butter Company's "best efforts look[ed] insignificant".¹⁸ Two months after the BCN went on the air, Frazer wrote to Donald Manson of the CBC to ask advice on solving this problem. A station in Newfoundland, Frazer reported, had been collecting news from American and British broadcasters as well as newspapers and, in turn, selling sponsorship of the news to one of its own advertisers. He wondered if the BCN should enact regulations prohibiting such acts and asked if copyright existed in news so that the station could be forced to refrain from broadcasting news that it had not purchased.¹⁹ Manson replied that while copyright did not generally exist in news, the CBC thought it undesirable that a station rebroadcast a programme without the permission of the broadcaster of origin. He suggested that the BCN draft something similar to the CBC regulation, which had been effective in suppressing the pirating of news. The CBC's regulations allowed privately owned stations to purchase news from a supplier, such as Trans-Radio, and broadcast that news provided they had the written permission of the CBC and a licence to receive the news from the Department of Transport.²⁰ The BCN was to periodically become concerned by VOCM's pirating the news but, since no such regulations had been put into effect, little could be done.

During the Second World War, the BCN expanded its role as the national broadcaster. It established VOWN in Corner Brook in 1943 to provide coverage to a large part of the island that infrequently received VONF or its short-wave transmitter VONH. It also fulfilled a range of wartime propaganda and information functions, similar to that of other national broadcasters such as the CBC and BBC. Wartime was a good time for state-owned broadcasters. Even in the United States, where nearly everyone accepted that private ownership of broadcasting and freedom from government influence were in the public interest, the challenges of the war enabled the Roosevelt administration to establish a place for the state in American broadcasting.²¹ Unlike the situation in Canada or the United States, however, privately owned broadcasters in Newfoundland remained unable to expand their businesses as the economy revived. The rhetorical debate over public versus private broadcasting was quiet, however, because patriotism ensured that no one criticized the expansion of the BCN or the restrictions upon VOCM. Wartime preoccupations, and perhaps political sensitivities, may also have dissuaded the Commission of Government from

17 Michael Barkway, BBC, to Galgay, 22 January 1948, file 4, Galgay Papers, CNSA.

18 A.E. Poynter and J.C. Crosbie, Newfoundland Butter Company, to Newfoundland Broadcasting Corporation [*sic*], 20 May 1939, GN 6, file 1939-47, PANL.

19 Frazer to Donald Manson, CBC, 25 May 1939, file 96, Galgay Papers, CNSA.

20 Donald Manson, CBC, to Frazer, 16 June 1939, file 96, Galgay Papers, CNSA.

21 Gerd Horten, *Radio Goes to War: The Cultural Politics of Propaganda during World War II* (Berkeley, 2002).

enacting the necessary regulations that would have put into effect the most draconian regulations. Although the Commission of Government's welcome had worn thin, few people questioned the constitutional status quo while the war was underway. Meanwhile, the revival of trade that accompanied Allied military spending gave advertisers much more money to spend and increased the number of licenced receivers. These conditions might have allowed for the growth of privately owned broadcasters, but the BCN did not approve power increases or new licences to privately owned stations. The exception was the establishment of three American military-owned stations: VOUS at Fort Pepperall and, later, VOHF at Harmon Field and VOUG at the military airfield in Goose Bay.²² The Royal Canadian Air Force also established VORG at the Newfoundland Airport in Gander. The BCN did not see these stations as precedents for the licensing of commercial stations but as part of the war effort. Butler accepted that VOCM had to live with the existing low-power output of his transmitter as long as hostilities continued, even if the licences issued to the American stations rankled his sensibilities.

With the cessation of the hostilities in Europe, Galgay believed decisions about new radio broadcasters could no longer be put off. He suggested the board of governors of the BCN needed to establish regulations governing privately owned stations. The concern had been prompted by an application to establish a 10-watt station on Bell Island by James B. Butler, the son of the owner of VOCM. The application could be rejected without consideration, Galgay reported, since government policy had long been to refuse all new applicants and no regulator in the world would approve a 10-watt station, which was widely accepted as nothing but a nuisance. Of greater worry to Galgay was the rumour that James L. Butler was about to apply for an increase of power for VOCM. If the power increase were granted, Galgay had heard, the elder Butler would then sell the station to a foreign interest. This request could not be dismissed as lightly as that of his son, but Galgay saw no reason to change the policy. He advised disallowing power increases of existing stations and advocated making regulations to control privately owned broadcasting stations more closely, especially in matters such as the transfer of licences. He favoured a procedure for approving new licences or cancelling existing licences and a regulation that made it clear that licences were held by individuals and were not automatically transferable. He also proposed establishing penalties for the violation of the regulations.²³

There were other proposals to expand privately owned broadcasters that would have eroded the monopoly on high-power transmitters and networking of stations that the BCN had established during the war. One such application came from the *Evening Telegram* newspaper, which promised to not only develop Newfoundland broadcasting talent but also to rebroadcast American and Canadian programming to fill the forthcoming void once VOUS went off the air.²⁴ A handwritten note in the

22 Jeff A. Webb, "VOUS – Voice of the United States: The Armed Forces Radio Service in Newfoundland", *Journal of Radio Studies*, 11, 1 (June 2004), pp. 87-99.

23 General Manager to Governors, 27 December 1945, file 42, Galgay Papers, CNSA.

24 R.B. Herder, *Evening Telegram*, to W.S. Roddis, Secretary of Posts and Telegraphs, 20 March 1946, file 47, Galgay Papers, CNSA.

BCN's correspondence, in Galgay's hand, suggested that this proposal was really being made by the Thompson group of newspapers.²⁵ He was presumably concerned about Canadians getting a foothold in the country's broadcasting industry. While no new broadcasting licences were granted, one business hoped to enter the broadcasting field by entering into a partnership with the BCN. At the beginning of 1947 the *Sunday Herald*, owned by the young entrepreneur Geoff Stirling, proposed purchasing time during the early morning hours between 7:00 am and 10:00 am when VONF was normally off the air. Although the arrangement would be a profitable one for the BCN, Galgay thought that the idea of "time block buying" was likely to lead to disputes that would reflect badly upon the corporation. He thought it unlikely that the *Sunday Herald* would use all of the time. It would, therefore, not want to undertake the expense of selling its allotted time to other sponsors without making some profit for its trouble. Galgay believed this was not feasible since it would require selling time in the early morning at a higher price than the rate for the more attractive period later in the day. He also believed that there was little demand for broadcasting during the early morning. Lastly, he warned against the BCN affiliating with a private interest that might "be highly biased or even diametrically opposed to those of the national system". Those who opposed the corporation, Galgay worried, would welcome the opportunity to imply that the BCN was biased in favour of the *Sunday Herald*.²⁶ The board also rejected a similar proposal by St. John's businessman Mengie Shulman, who was operating as an advertising agent in preparing programming for businesses during a morning programme on VOCM and now proposed to do the same on VONF.²⁷

In March 1946 Galgay circulated to the governors copies of the never-enacted regulations of 1940. He repeated the proposal that would require privately owned stations to provide proof that they had the permission from originating stations to rebroadcast the content of their news reports. He also reiterated his view that the regulations were needed to govern the establishment of new stations, the method of renewing licences (to make it clear the licensee must be the actual operator), and to ensure that licences were not transferable. Even at this late date he was not certain, however, if such regulations should be made by the corporation or by the Department of Posts and Telegraphs, and suggested that he would discuss the issue with Secretary of Posts and Telegraphs W.S. Roddis.²⁸

Butler had his lawyer, Leslie R. Curtis, prepare a detailed response to the proposed Broadcasting Regulations of 1946, a document which merits examination for what it reveals of the ideological underpinnings of the case for private broadcasters. Curtis objected to the many ways the proposed regulations would restrict VOCM's business

25 Roy Thompson had apparently visited St. John's in 1944, a visit which Galgay believed had been suggested by a relative, Captain F.R. Davies, who had been the public relations officer for the Canadian Army in Newfoundland. See handwritten note, file 47, Galgay Papers, CNSA.

26 General Manager to Governors, Subject: Sunday Herald Application, 13 January 1947, file 15, Galgay Papers, CNSA.

27 General Manager to Governors, 28 September 1948, file 20, Galgay Papers, CNSA.

28 Roddis had replaced Haig-Smith, who in turn had replaced Frazer as Secretary of Posts and Telegraphs. See General Manager to Governors, 19 March 1946, file 111, Galgay Papers, CNSA.

and threatened that if the board did not present them for public scrutiny in advance of putting them into effect then the Colonial Broadcasting System Limited would “take steps to secure adequate publicity”.²⁹ Curtis pointed out that no regulation had been gazetted which would permit the BCN to reject applications for new licences or increases in transmitter power. The Department of Justice concurred with this interpretation, prompting Galgay to suggest gazetted a specific regulation granting the BCN authority to regulate privately owned stations.³⁰ Curtis also protested the reintroduction of the regulations that the “petty dictator” Penson had drafted in 1940, on which, despite his “lust for power”, the commissioner had failed to enact. In VOCM’s decade of operations, Curtis claimed, the station had cooperated with the government and had never been the object of complaint. Regulation was therefore unnecessary: “Now that the war is over, and the need for censorship in any form no longer exists the Corporation proposes to adopt regulations which will have the effect of empowering it to censor and completely muzzle public opinion in Newfoundland, and this station insists that, at such critical time above all others in the history of Newfoundland, such dictatorship should not be seriously considered. . . . We unhesitatingly say such a proposal is ‘ultra vires’ the corporation”. Curtis suggested that the BCN had no more right to tell VOCM what it could broadcast than it had to tell newspapers what they could publish. The proposed regulation requiring the station to submit programming to the BCN before broadcast was “dictatorship at its worst”. Curtis also asked if this regulation were going to be applied to VOUS, and asked why the American military had not been provided with a copy of the regulations. Was the government, he asked, only going to “dictate” to Newfoundland citizens?³¹

The fact that the regulations had been adapted from the Canadian regulations was not an argument for their worth, Curtis continued, because they were a source of discontent in that country and the situation in Newfoundland was different. Unlike the BCN, the CBC subsidized privately owned stations by purchasing time on them for its network programming and did not compete with the independent stations, he maintained, by selling time to advertisers at half the commercial stations’ rates. Government commissions had a role, he conceded, “but as for these commissions starting in business in opposition to and partially capitalized by the private organizations they are appointed to regulate, even an apathetic public should shiver in its shoes, for under such a state of affairs, democracy becomes a myth and freedom of speech a fading memory”.³²

Curtis threatened that if VOCM were not permitted to increase the power of its transmitter and to use shortwave, it would be forced to ask the government to investigate broadcasting generally, and specifically the way that licence fees were used to subsidize advertising on VONF. Since the BCN was unable to limit its advertising content to 10 per cent even with its government subsidy, Curtis thought it unfair to expect VOCM to do so. He suggested that if VONF unilaterally reduced its

29 L.R. Curtis to Galgay, 1 June 1946, file 13, Galgay Papers, CNSA.

30 Galgay to G.R. Williams, 26 September 1946, file 7, Galgay Papers, CNSA.

31 L.R. Curtis to Galgay, Memorandum re proposed regulations to be made under the Newfoundland Broadcasting Act, Chapter 2, 1939, 1 June 1946, file 13, Galgay Papers, CNSA.

32 L.R. Curtis to Galgay, Memorandum re proposed regulations to be made under the Newfoundland Broadcasting Act, Chapter 2, 1939, 1 June 1946, file 13, Galgay Papers, CNSA.

advertising to 10 per cent, then perhaps the public would be unsatisfied with the advertising content on VOCM and listen exclusively to VONF. Furthermore, he argued that VOCM provided as much public service programming as did VONF, and did so without the subsidy. Lastly, Curtis condemned regulations which would deny due process and apply the law inequitably:

This section constitutes the corporation a 'star chamber' and enables it to meet in secret, and, presumably by a majority vote, pass judgement and enforce same by suspending the license of a private station for any period not exceeding three months. This is a very heavy penalty that cannot be assessed in dollars; yet power of imposition is taken by the corporation from the courts. The corporation thus constitutes itself a judge in its own cause – a most dangerous and iniquitous precedent, not contemplated by the act. It is submitted that the clear intention of the act was that the corporation should define the offense and prescribe the penalty . . . but the whole question as to the guilt and, if so, the penalty should be determined by a court of law after a fair and public trial. . . . It may be noted that the government station is NOT liable to any penalties for infringement of any of these regulations, and it can with impunity completely disregard the same. What could be more unfair, for instance, than a law which would enable Highroad Commission trucks to disregard 'stop' signs placed in position by the highroads authorities. Regulations should be equally binding on all stations and enforceable only by independent courts. Such discrimination places the government station ABOVE the law, which the broadcasting act never contemplated.³³

VOCM also solicited a submission to the BCN from lawyers representing Harvey and Company, which sponsored the *Terra Nova News Bulletin* on VOCM. These lawyers objected to section nine of the proposed regulations, which prohibited broadcasters from using news which they gathered from newspapers. They suggested that the existing libel and slander laws were sufficient to protect people's reputations and that the proprietary rights of authors were sufficient to protect the form in which news was published. The proposed regulation, they submitted, would establish new law since it would give newspapers proprietary rights over the information itself. The lawyers asserted that the newspapers had neither asked for nor needed such protection, and that it would harm the public since so many people in outlying areas depended upon broadcasting to provide them with news and information.³⁴

Galgay replied that rather than being restricted, VOCM benefited from the BCN protecting it from any competition since it was the only commercial station that had a

33 L.R. Curtis to Galgay, Memorandum re proposed regulations to be made under the Newfoundland Broadcasting Act, Chapter 2, 1939, 1 June 1946, file 13, Galgay Papers, CNSA.

34 Knight, Phelan and Hawkins to BCN (on behalf of Harvey and Company Ltd, sponsors of the *Terra Nova News Bulletin*), 27 May 1946, file 13, Galgay Papers, CNSA.

licence. Furthermore, he suggested, when the corporation declined offers of programmes or spot announcements, it passed the business to VOCM. He claimed that commercial stations in other countries would envy VOCM's protection from competition.³⁵ Galgay claimed that "the entire future of the corporation may be jeopardized" unless action was taken to regulate privately owned stations. His level of annoyance at VOCM was revealed in a draft of a memo to the board:

It is useless to attempt to be fair with VOCM. This station and its owner has constantly carried out an insidious campaign against the corporation which has done us very material damage. On our part we have consistently ignored VOCM and it has been interpreted as fear or timidity. Due to the policy of restricting our advertising, VOCM has secured a very large share of business, which has raised it from a position of insignificance in 1939 to one of relative importance in 1947. To put it quite plainly VOCM has been ~~'getting away with murder'~~ doing what it pleases and thumbing its nose at the corporation. ~~By our attitude of 'fair play' and~~ using the banner of 'free speech' as a cloak this station has continually libelled the corporation and its officers either directly or indirectly. A situation which would not be tolerated by any broadcasting authority elsewhere.

Up to the present time we have permitted our policy of fair play to control our attitude towards VOCM. The actions of this station has quite obviously been such as to forfeit any claim to further consideration on this premise and, it is my opinion, that we should immediately publish and enforce the broadcasting regulations in the best interest of broadcasting in Newfoundland and not with any particular reference to VOCM.³⁶

Galgay argued that at the very least they should publish regulations establishing control over power increases and the licensing of new stations. Based on this recommendation the BCN's board denied Butler's requested a power increase for his AM transmitter and for a licence for a shortwave transmitter.³⁷

Butler appealed to the Commissioner of Finance, R.L.M. James, and added a request for permission to experiment with frequency modulation. He complained that his applications had never been "honestly considered" and that the corporation's answers to its applications had been excuses; its real motive had been "curtailing the operation of an independent station". Butler threatened that if James did not redress his grievances, he would take the matter to the governor of Newfoundland, the National Convention and the people of the country.³⁸ He insisted that the North American Regional Agreement authorized power of up to 50,000 watts on VOCM's frequency and that the

35 Report for the Commissioner, September 1946, file 6, Galgay Papers, CNSA.

36 Draft Memo, General Manager to Governors, 22 July 1947, file 70, Galgay Papers, CNSA.

37 G.R. Williams to Galgay, 31 August 1946, file 7, Galgay Papers, CNSA.

38 J.L. Butler to R.L.M. James, Commissioner for Finance, 2 August 1947, file 18, Galgay Papers, CNSA.

reasons the BCN supplied for rejecting the application were false. He claimed that VOCM provided all the same public services provided by VONF, including “talks” upon matters of public interest. Unlike VONF, however, VOCM did so without censorship. He went on to suggest that his station would be best able to provide impartial information to the public during the constitutional debate. Since three of the governors of the BCN – J.S. Currie, R.S. Furlong and C.E. Hunt – had endorsed the platform of the Responsible Government League, Butler argued the corporation might be biased during the coming referendum. “A powerful and free and independent station, which VOCM has demonstrated itself to be since its inception”, he wrote, “may be considered a ‘must’ if a full and intelligent educational campaign is to be permitted”. Furthermore, Butler suggested, the BCN was subsidized by the government, lost money on its operations and charged advertisers such a low rate as to subsidize advertisers. He had accepted the status quo during wartime, but now threatened to resume his campaign to get permission to operate at a higher level of power.³⁹

Newfoundland’s constitutional debate provided a new forum for the antagonism between the government-owned and privately owned stations. On 11 December 1945 British Prime Minister Clement Attlee announced that Newfoundlanders would be given the opportunity to determine their political future. Peter Cashin, a former finance minister under responsible government, relaunched his political career with a series of broadcasts that criticized the Commission of Government. The commission had wanted to allow former members of the Assembly the ability to speak to the county on matters of public interest, but not to allow unrestricted criticism of the government.⁴⁰ Galgay himself believed that the corporations’ facilities should be used to discuss public affairs, but “only in a dignified and courteous manner”. He commented that one of Cashin’s proposed broadcasts was “filled with purely personal opinions and unsubstantiated observations, and to make it suitable for broadcast requires considerable rewriting”.⁴¹ In another broadcast Cashin hinted that he was being muzzled by the Commission of Government and, in a thinly veiled reference to his speech having been censored, suggested that “if the continuity of my remarks tonight may seem somewhat disjointed, I know that you will readily appreciate the peculiar circumstances”. Cashin not only demanded an immediate return to self government, but accused the Commission of Government of denying Newfoundlanders their democratic rights, including freedom of speech on the air.⁴² Perhaps finding the restrictions of the BCN too great, he took his campaign to VOCM. In a broadcast on 12 January 1946 Cashin set out his case against the forthcoming National Convention and argued for an immediate return to responsible government. He also sent a recording of this address to Prime Minister Attlee and had the text printed as a pamphlet for circulation within Newfoundland. In the speech, Cashin argued that Newfoundland had been betrayed by the Frederick Alderdice government when it petitioned for the Commission of Government without calling an election on the issue, as it had pledged to do during the election campaign of 1932. The

39 Memorandum for the honourable commissioner for finance re Colonial Broadcasting System. Ltd. Radio Station VOCM, file 18, Galgay Papers, CNSA.

40 Webb, “Origins of Public Broadcasting” pp. 102-4.

41 Galgay to Chairman, 18 June 1945, file 68, Galgay Papers, CNSA.

42 Third Address by Peter Cashin, file 23, Galgay Papers, CNSA.

commission, he argued, was therefore illegal. Furthermore, both the Newfoundland government's petition and the Newfoundland Act of 1933 had specified that the commission would continue until such time as the government finances were balanced. Cashin pointed out that this condition had been met. Upon this basis, Cashin concluded that the governor was obligated to immediately call upon someone to form an administration and call an election. Therefore, Cashin argued, the National Convention and the Commission of Government itself were both illegal:

Reverting for a moment to the original plot to deprive Newfoundland of Responsible Government in 1933-34. . . . Lord Amulree was consulting with the then Prime Minister regarding the future of Newfoundland, and I have read communications between Prime Minister Alderdice and another Minister of the Crown definitely indicating that, in order to get members of the House of Assembly to vote for Commission Government, permanent positions in the Civil Service would have to be arranged for many of these gentlemen. I state definitely now, that Sir John Puddester, Present Commissioner for Public Health and Welfare and Deputy Chairman of the Commission, would not have voted for the abolition of Responsible Government unless he was definitely assured of being one of Newfoundland's Commissioners. Everyone knows that the present Commissioner for Justice [Harry Anderson Winter], who was a member of the Alderdice Government and who voted for the abolition of Responsible Government, . . . was later appointed a Commissioner; that his brother [James Alexander Winter] who had been Commissioner for Home Affairs and Education was placed in a permanent Civil Service position to make room for the present Commissioner, who later became Commissioner for Justice after Sir Edward Emerson's appointment as Chief Justice of the Supreme Court of Newfoundland.⁴³

Cashin accused Attlee of creating the Convention for the purpose of extending the rule of the Commission of Government, and thus giving it time to appropriate the surplus of the Newfoundland government for the benefit of the United Kingdom. He closed with an appeal to Newfoundlanders to organize local committees and contact him to coordinate an "all-Newfoundland Movement" to end British rule. This attack upon the judges was the sort of libellous statement which Galgay had so carefully edited in Cashin's addresses on VONF, but Butler took no such precautions. While no suit arose out of this broadcast, in March of 1947 Cashin was unsuccessfully sued by Emerson and the Winter brothers for repeating these same accusations in the National Convention. Cashin's speech on VOCM alluded to the censorship of his earlier talks on VONF, allowing Butler to present his station as the independent alternative to the government station. The BCN, upon the initiative of Commissioner Wild, purchased

43 *Address on National Affairs Delivered by Major Peter J. Cashin Over Radio Station VOCM St. John's, Newfoundland, On January 12 1946* (St. John's, n.d.), p. 9, GN 6, file 1939-1947, PANL.

a recorder with the aim of recording addresses that were broadcast over VOCM, presumably to gather evidence that might be used against the station if the BCN were to decide to suspend the station's licence and pursue libel suits.⁴⁴

While the constitutional debate took most of the government's attention, Galgay reminded the Commission of Government that there was more at stake for the BCN than competition and complaint from Butler. VONF's 640 kc [kilocycle] was the only frequency which could provide coverage to both coastal Labrador and the fishing fleets on the Grand Banks. Newfoundland had successfully asked other North American countries for greater protection for 640 kc than it was entitled to by arguing that radio served a vital role in protecting life and was not just used for entertainment. If VOCM were to expand, other countries might not accept the argument that broadcasting in Newfoundland was something special. Galgay warned:

The entire position with regard to frequency allocation at the next [international frequency allocation] conference is extremely unpredictable, and any change in the present situation is bound to have an adverse effect in Newfoundland. If for some reason Newfoundland should lose its rights on 640kc then the whole picture of Broadcasting in Newfoundland may be changed and the value of the ten-kilowatt station VONF may be reduced to such an extent that many regional stations may have to be established within the Island to give the same coverage as now provided by VONF. In addition to these technical reasons, it is the opinion of the Governors of the Corporation, that the Act from which they receive that authority has placed in their hands the responsibility for the direction of a valuable National Asset in such a manner that the greatest benefit to the public will be assured. But for the outbreak of the war broadcasting in Newfoundland would have developed in an orderly manner the objects for which the corporation was instituted and would now have been within reach. Instead the corporation is only commencing the development of this national asset, and until such time as the responsibility to ensure the greatest benefit to the public has been discharged, the corporation is unable to consider the exploitation of any part of this National Trust for the primary purpose of personal gain to an individual or individuals.

The governors believed it was "only reasonable" that the BCN be able to provide full service to the country by having a monopoly on high-powered transmitters before considering applications that were motivated by the financial gain of a privately owned station. After the national interest was achieved, low-powered privately owned stations might be permitted to continue operating if necessary for local service.⁴⁵ The

44 General Manager to Governors, Memo re Ordinary Report, 25 September 1947, GN 6, file 1939-1947, PANL.

45 Report for the Commissioner, Licensing of new stations and power increases, 6 September 1947, file 6, Galgay Papers, CNSA.

governors concurred with Galgay's view that the needs of public service outweighed anyone's private interest in making a profit, and suggested that this public service included providing retailers with an opportunity to advertise:

It is not considered that the present policy of the Broadcasting Corporation is oppressive toward VOCM; if it be restrictive in any sense it is restrictive as to all present operators of broadcasting stations. It should be emphasized that this Corporation regards broadcasting as being a vital and necessary public service, and it adheres strongly to the principle that no private or commercial interests should be permitted to obtain any rights or any monopoly for broadcasting. It is recognized that commercial enterprise has a right to avail itself of the purely commercial side of broadcasting for the purpose of advertising their products. For this reason, and in recognition of this principle the Broadcasting Corporation accepts for transmission programmes commercially sponsored and containing advertising matter.⁴⁶

Each of Butler's arguments had been dismissed.⁴⁷

In the fall of 1946 Butler took his case to the National Convention when he was interviewed by the convention's Transportation and Communications Committee. The elected members of the convention sympathized with Butler, but ultimately accepted Galgay's argument that if it granted a power increase to VOCM then other applications would have to be approved. The committee felt unqualified to argue with Galgay's contention that this could jeopardize the BCN's position in international negotiations on frequency allocations.⁴⁸ When the chairman of the committee, Joseph Smallwood, reported as much to the National Convention on 12 December 1946, several members objected. Cashin stated that Galgay had lied to the committee when he had claimed there was no censorship by the BCN. Cashin said he knew of an instance in which a speech had been censored by BCN and that the person had delivered the same speech over VOCM without any libel action being taken. Trinity North delegate Reuban Vardy also reported that he had not been permitted to make a broadcast on the grounds that it was too critical of the government. The member for Bell Island, Nish Jackman, disputed the BCN's justification for restricting VOCM. He maintained it was "an excuse for dictatorship" and suggested that 90 per cent of people listened to VOCM rather than VONF. He also credited VOCM with the

46 Memorandum of the Governors of the Broadcasting Corporation of Newfoundland with reference to an application for increased power and extension of broadcast facilities by the Colonial Broadcasting System Ltd. [1947], GN 6, file 1939-47, PANL.

47 Yet it must be noted that despite the tensions between the state-owned and privately owned stations, on a day-to-day basis some cooperation continued. Important public events and some other programming was broadcast over both VOCM and VONF, requiring the two broadcasters to coordinate their activities. For example, the documentary on "House of Bowring", 10 February 1949, was presented over VOCM, VONF, VONH and VORG. See F27630/79-007 (CD917), MUNFLA.

48 Report of the Transportation and Communications Committee, in J.K. Hiller and M.F. Harrington, eds., *The Newfoundland National Convention 1946-1948, Volume 2* (St. John's, 1995), pp. 121-2.

existence of the National Convention itself, and suggested that the convention should protest the limits upon VOCM's expansion. Grand Falls representative Malcolm Hollett concurred with Jackman's scepticism, and asked Smallwood if he had inquired into the claim. Thomas Ashbourne of Twillingate, Charles Ballam of Humber and Leonard Miller of Placentia East all agreed that VOCM should be given a power increase. Smallwood, himself a former VONF broadcaster, reiterated that he was not competent to question the BCN's argument. Chesley Crosbie, the member for St. John's City West, argued that if VOUS were given a frequency then VOCM should have been permitted to expand as well. During the later debate upon the proposed Terms of Union between Canada and Newfoundland, Edgar Hickman asked if VOCM would be permitted to continue to operate if Newfoundland were to join Confederation. Smallwood assured him that privately owned stations operated in Canada.⁴⁹ All this was, of course, outside the mandate of the convention and nothing came of these statements of support for Butler; yet it reveals that private ownership could have had a more sympathetic hearing in a political process than it received from the Commission of Government.

In the fall of 1947 Butler once more threatened to take his claim to the governor of Newfoundland, the National Convention and the people. Butler felt his applications for expansion had not been treated honestly by the BCN. He claimed that the commission, having failed to buy VOCM in 1938, was now trying to curtail the "independent station" by hurting its ability to earn advertising revenue.⁵⁰ In the rhetorical struggle between state ownership and private ownership, Butler did not suggest that state ownership of business was socialism, an argument which might have had some resonance during the opening salvos of the Cold War. Instead he relied upon the argument that American broadcasters had successfully employed against a public-broadcasting alternative – that state ownership of broadcasting led to dictatorship of the air because the government chose what was and what was not to be broadcast. Only the "free-market" of listeners choosing what to listen to, the argument ran, ensured that the public chose what stations broadcast.⁵¹ In the Newfoundland context, such rhetoric might have been even more compelling than in the American case, since the Commission of Government was unelected and therefore more prone to using its station as a propaganda tool. By portraying his station as "independent" Butler implied that only VOCM allowed free expression of opinion while suggesting that the BCN's motive for denying the station a power increase was to muzzle political opposition.

The BCN dismissed the claims that it unfairly benefited from licence fees, that it undercut commercial advertising fees and that VOCM served the public in the same fashion that VONF did. Galgay argued that any public service programming provided by VOCM was only incidental to its commercial activities, and thus not a legitimate justification for it being placed on a level playing field with the public station. Galgay

49 Hiller and Harrington, *The Newfoundland National Convention 1946-1948, Volume 1* (St. John's, 1995), pp. 200-4, 218, 850.

50 J.L. Butler to Broadcasting Corporation of Newfoundland, 2 August 1947, GN 6, file 1939-1947, PANL.

51 McChesney, *Telecommunications, Mass Media and Democracy*; Nathan Godfried, *WCFL, Chicago's Voice of Labour, 1926-78* (Urbana and Chicago, 1997).

was cutting in his assessment of VOCI: "The local news is frequently confined to Magistrates Court news and St. John's gossip. It is often times highly inaccurate and definitely political in character. By the use of 'Quotes' it is a subtle form of editorializing. The foreign news broadcasts by VOCI is [*sic*] 'pirated' off the foreign news broadcasts of American and Canadian Stations". Galgay also rejected Butler's claim that VOCI provided religious programming. He thought VOCI's Bible talks, which Butler delivered himself, did not qualify as "religious broadcasting" since they were not broadcasts of church services. Galgay reported that the station's broadcasts on behalf of the Jehovah's Witnesses, whom he said were opposed to all forms of organized religion, were "very close to being offensive".⁵² Recordings of two of Butler's broadcasts are extant. Perhaps Galgay recorded them as evidence of the character of Butler's programme. Butler's talks contained millennial rhetoric, references to the corruption of all earthly institutions and the suggestion that many of those people who held high positions in churches, government and business had been created by Satan rather than God. He also invited listeners to attend an upcoming Bible students' meeting.⁵³ Galgay was a Roman Catholic and it was common for members of the larger institutional churches to feel threatened by the evangelical rhetoric of the Jehovah's Witnesses. Controversy about that group's proselytising over the radio had prompted the Canadian government to assume greater control over broadcasting and restrict religious groups from owning stations.⁵⁴ In June of 1947 Galgay rejected an application from the Jehovah's Witnesses for a one-hour broadcast, despite having granted similar requests to many other Christian denominations.⁵⁵

Galgay went on to say that, despite Butler's assertions, the BCN had received an insignificant amount of public criticism in proportion to other public broadcasters such as the CBC and the BBC. He reported that Penson and Frazer had often expressed gratification at how little criticism had been levelled at the corporation. Successive Commission of Government representatives on the board had reaffirmed the policy of having a publicly owned station similar to the BBC, which also accepted limited advertising. The BCN accepted none of Butler's criticism, and maintained that the restrictions on VOCI were necessary to maintain the privileged position of the BCN in the international allocation of frequencies. As long as Galgay endeavoured to protect the national interest as embodied in VONF, the private interests of VOCI would be sacrificed. If the BCN were to grant permission for a five-kilowatt station to VOCI, in Galgay's view, it would ruin Newfoundland's chance to retain rights to 640 kc.⁵⁶ As late as August of 1948, when it was clear that Newfoundland would become a Canadian province and discussions were underway to incorporate the BCN into the Canadian Broadcasting Corporation, Galgay and the Justice Department continued to discuss new broadcasting regulations.⁵⁷

When Newfoundland became a Canadian province at the end of March 1949,

52 General Manager to Governors, Memo re VOCI, 4 October 1947, GN 6, file 1939-1949, PANL.

53 University Tape 121, CD845, F27486/79-007, MUNFLA; CB845, F27506/79-007, MUNFLA.

54 E. Austin Weir, *The Struggle for National Broadcasting in Canada* (Toronto, 1965).

55 Galgay to Governors, 26 June 1947, file 72, Galgay Papers, CNSA.

56 General Manager to Governors, Subject – comment on VOCI correspondence, 4 October 1947, file 18, Galgay Papers, CNSA.

57 General Manager to Governors, 17 August 1948, file 31, Galgay Papers, CNSA.

private broadcasters found the Canadian regulator was far more amenable to the expansion of privately owned radio than the Commission of Government had been.⁵⁸ VONF, which had been renamed CBN when it was incorporated into the CBC, was no longer vulnerable to Newfoundland losing its frequency to rapacious broadcasters in larger countries and eventually ceased to accept advertising. The Canadian government could allot frequencies to new entrants without the worry about the vulnerability of 640 kc which had constrained Galgay. Both Butler and Williams increased their investment in the Colonial Broadcasting System in 1949 once the Canadian regulator allowed it to expand into new markets.⁵⁹ Privately owned broadcasters thrived under Canadian regulation in ways they would have thought unlikely during the period in which they were regulated by the BCN.

In the years before Newfoundland joined Canada, the competition for listeners and advertisers made conflict between the state-owned and privately owned stations likely, especially since the former was given the responsibility of regulating the latter. In 1938 the Commission of Government appointed a committee to draft a broadcasting act and regulations for the industry, which, when completed, copied many of the terms of the Canadian Broadcasting Act and the regulations of the CBC. If Newfoundlanders were aware of the friction between the CBC and private broadcasters caused by the state-owned broadcaster being both competitor and regulator, they were not dissuaded from reproducing a similar relationship. Frazer's intention had been to move toward a monopoly anyway, thus elaborate regulations for privately owned stations would have seemed unnecessary to the writers of the act. The CBC allowed privately owned broadcasters to operate in their local markets, but the state-owned broadcaster maintained a monopoly upon connecting stations together into a network. The Broadcasting Corporation of Newfoundland also prevented privately owned stations from developing a national service, which it endeavoured to provide itself. However, there was a significant difference between the approaches in the two countries. The Canadian government intended the CBC to provide a national alternative to the American-owned networks, not replace privately owned local stations. The Commission of Government and the governors of the BCN had initially hoped to replace the privately owned stations with a government monopoly much like the British Broadcasting Corporation. Potential criticism had dissuaded the Commission of Government from forcing the privately owned stations out of business and, as a result, a public and private system similar to that of Canada emerged. As the BCN worked towards a comprehensive system that brought its programming to all of Newfoundland, the privately owned VOCM and other potential competitors were prevented from increasing transmitter output or building new transmitters.

During the Second World War, the privately owned stations accepted the status quo, since objections to government policy during wartime seemed unpatriotic. While the BCN had responsibility for regulating the industry, it granted no broadcast

58 Raboy, *Missed Opportunities*.

59 Within ten years of Joseph L. Butler's death in an aircraft crash in 1954, his son established the largest ownership stake in the company, and Walter B. Williams, Jr. remained a minority share holder until his own death. See Government of Newfoundland and Labrador, Colonial Broadcasting System Limited, Registry of Companies, file 01505.

licences, except those granted to foreign forces to serve their morale needs, and blocked VOCM's efforts to expand its business. The end of the war reawakened political debate as well as the privately owned broadcasters' demands that they be allowed to expand their businesses. The vulnerability of Newfoundland in the international allocation of frequencies meant that Galgay believed the public service role of the BCN would be undermined by the expansion of a privately owned, market-driven alternative. During this same period Canadian private broadcasters used their political and economic clout to consolidate the government's and the public's acceptance that they had a place in the broadcasting "marketplace". Judging by the sympathy the elected members of the National Convention had for Butler's position, if Newfoundland had had a democratic government during the 1930s and 1940s, perhaps its broadcasting system would have been more similar to that of Canada.