

The President noted that the present five-year contract amounted to \$400,000 annually. The CP negotiating team is asking for an average of \$600,000 plus annually for a five-year period representing a range between \$550,000 to \$694,000 which encompasses an escalation clause of 6% per annum. While Canadian Press is a form of newspaper co-operative, the failure of such dailies as the Quebec City Chronicle Telegraph and the Toronto Telegram has resulted in a loss of between 3% and 4% of contributions to their aggregate income. This would be further accentuated should La Presse of Montreal cease to exist since it is one of the four major financial supporters of the CP service.

The CP feels that CBC should underwrite between 12% to 12.5% of their operating costs. The President observed that should present negotiations not result in a satisfactory agreement and if CP were to withdraw their service, the Corporation could carry on temporarily without provoking adverse criticism provided our offer was defensible. Another point in our favour is that in Canada, the CBC supports Canadian Press to a greater extent than does the BBC to Reuters in the U.K. and the American networks to Associated Press. Taking into account the general tone of the annual meeting held on December 3, the attitude of CP could be taken as a desire to reach a mutually agreeable settlement somewhere in the neighbourhood of \$500,000 to \$525,000 annually for a five-year contract.

LATE EVENING NEWS - FRENCH SERVICES

Presenting the agenda report, Mr. David said that this had been prepared at the request of Mr. Archambault. At the last meeting, he asked that Management make an analysis of the late evening network news to determine whether there was any justification for the criticism that, as of late, coverage of Quebec activities were receiving less prominence. The results were based on a quantitative analysis comparing two full seven-day periods for the fall of 1971 compared with a four-week period in 1969, previously made for the Directors. Because of the differing durations of newscasts involved, this comparison was possible because it was based on percentages rather than the number of specific news items and their length. The analysis indicated that, in fact, increased emphasis has risen for domestic categories such as Canadian, Quebec and "other provinces" specifically at the expense of foreign material. As a result, the 1971 Telejournal Canadian material, including contributions from "other provinces" occupied more time and space in the newscasts than two years ago and shows to some extent the success the Corporation has achieved in broadening French network news through the use of correspondents outside the Province of Quebec.

Considering the many variables that must be considered in this regard, it was the general consensus that the report provided a good assessment of the current situation and illustrated the objectives Management has set for itself to keep this matter under constant review. The feeling was also shared that there will always be a difference between the make-up of private stations versus CBC newscasts because the former can concentrate more time on coverage of local and provincial matters in order to meet the particular interest of their listeners, whereas the Corporation's mandate has the wider responsibility of giving by means of its "national" network facilities, a service reflecting the total spectrum of news happenings as equitably as possible depending on the importance of the domestic or international events.

PENSION FUND INVESTMENT POLICY AND PRACTICE

Mr. Ménard advised that the Pension Board of Trustees has on several occasions discussed the proposal for an "internal administration" of the CBC Pension Fund. This was brought about by several factors such as: (1) the low yield from the investment performance over the past ten years by three of the four present fiduciary agents which has caused concern to the Board of Trustees as well as the Corporation; (2) the need for the Pension Board to exercise more effective control and direction over investment policy than in the past which has been restricted by limitations of the Trust Deed; and (3) the findings and recommendations of J.R.F. Financial Consultants Ltd. respecting future investment policy. He recalled that the Board of Directors at its May 1971 meeting had accepted the principle of internal administration of the Pension Fund assets requesting that the Pension Board of Trustees develop a specific plan as to how this could be brought into operation.