

Mr. Davies recalled that in his annual financial review, a comparison is made of actual expenditures to budget. The President noted this latter approach is about six months closer to the fact so the Auditor General does not have any valid criticism. He felt there is no relation between the excess amount spent on programming and program write-offs.

Turning to the comment on salaries and wages paid for work not performed which the Auditor General proposes to include in his annual report to the House of Commons, Mr. Davies described situations where the CBC pays for scheduled hours in excess of actual hours of attendance during daily or weekly tours of duty, premium pay for turn-around encroachment and displacement meals. Numerous discussions have been held with the Auditor General and his representatives in the hope that they would recognize the exigencies of broadcast operating requirements and that these payments are fixed through provisions contained in union agreements. Mr. Davies felt that it might be useful to communicate again with the Auditor General on this subject emphasizing that the Corporation has been unsuccessful in recent union negotiations to have provisions calling for these payments eliminated. This would allow the Auditor General to report to the Public Accounts Committee that the Corporation has endeavoured to correct this situation at the bargaining table. The President also noted that the Corporation has not been successful in getting Conciliation Boards to change these conditions in union agreements. The Committee agreed to the proposal and noted that Management would continue to seek ways and means of reducing these payments.

ANALYSIS OF OPERATING EXPENDITURES - 1969/70

Mr. Davies noted that the agenda report had been circulated at the last meeting which detailed the composition of various categories of operating expenditure base for 1969/70. He suggested that if any member of the Committee had any particular question, further information could be provided on request.

FINANCIAL ADMINISTRATION ACT - 1969/70

The President explained that the agenda submission which is identical to that approved by the Executive Committee at its meeting on October 23 last and confirmed by the Board of Directors at its December meeting requires further approval to meet the provisions of the Financial Administration Act. The effects of recent statements by the CRTC with respect to Maritime coverage have not been reflected. The CRTC's denial of the Corporation's application to establish a television rebroadcasting station at Fredericton-St. John was cited as an example. Other deferrals, cancellations or additions may result due to CRTC decision. On this basis, the President suggested that the Finance Committee recommend to the Board of Directors approval of the format as submitted.

Mr. Lypka moved, seconded by Mr. Denning,

THAT the Finance Committee recommends to the Board of Directors that the 1969/70 Capital Budget of the Canadian Broadcasting Corporation amounting to \$30,000,000, attached as Appendix I, be approved in accordance with Section 80(2) of the Financial Administration Act.
CARRIED.

1968/69 CAPITAL BUDGET

With the Vice-President, Corporate Affairs (Mr. Fraser) and the Director of Planning (Mr. Duffield) in attendance, the President summarized the current position of the capital budget from that presented to the last Finance Committee meeting. He explained that it is proposed to draw upon the reserve list of capital projects (Appendix IV to the agenda report) depending on the availability of funds and capacity to complete the projects in the two remaining months of the fiscal year. Purchase of the Moose Jaw-Regina TV stations, progress payments on the Sackville project and acquisition of the Moncton Youth Centre are high on the priority list. As well, the Committee agreed that Management should immediately commence negotiations with the City of Montreal to accelerate land payments for Place de Radio-Canada. The President emphasized that Management would continually review the reserve list to accomplish the highest level of capital project completions possible before March 31.