

It was felt that the introduction of colour telecasting and centennial activities would not measurably encourage the development of outside sources in the specialized areas of design and staging services.

The Directors suggested that Management strengthen this statement of policy in relation to its practical application and suggested the addition of statistical information showing the proportion of production costs related to the areas of costumes, scenic carpentry and painting, scenic properties and graphics design. The Directors also requested that they be supplied with copies of a report prepared answering questions from the Advisory Committee on these subjects.

(b) Film Production. In discussion of this policy, relations between the CBC, National Film Board and other film producing companies were explained. Following the introduction of television, a compatible relationship eventually developed between the NFB and the CBC whereby the Corporation would rent films and NFB would also be asked to make special films. The volume of business with NFB averages between \$600,000 and \$800,000 for both networks per year. The Corporation has been unjustly criticized by other film companies of giving too much of its outside film work to the NFB. At one time, there was a feeling that the NFB should handle most of the Corporation's developing and processing, which would have been acceptable, except that they could not meet CBC deadlines. Referring to the current suggestion that there might be a duplication of film facilities in the Corporation's consolidation plans for Montreal, it was stressed that the Corporation's film installation would be small compared with NFB and that Management fully intended to check what NFB could provide before finalizing the CBC film setup.

It was agreed that Management prepare for the Fall meeting a further definition of the film production policy for internal use only. This should include and define the specific criteria which formulates the policy and why and how they are to be applied to meet the various requirements.

REGULATION AND CONTROL OF BROADCASTING. Following a review of the agenda report by Mr. Fraser, the Directors were advised that there would be a meeting of the BBG Consultative Committee on Public Broadcasting on April 29 to discuss among other things the effect on CBC of a recent announcement to amend the radio and TV regulations which would require every station licensee to file financial statements 90 days after the end of the fiscal year.

Referring to the offer made by the CBC to purchase CFMW-FM St. Norbert, Manitoba, the Directors were advised that the Corporation's offer of \$160,000 had been accepted but BBG's recommendation was being awaited.

FINANCE. Mr. Jenkins read the report covering the 80th and 81st Finance Committee meetings.

Staff Statistics. Noting the abolishment of 68 positions in Quebec, it was explained that these did not represent a reduction of staff but rather unfilled authorized positions which had existed for six months. These positions were distributed mostly throughout the film, design and staging and technical departments.

It was suggested that Management should prepare bi-annually a summary of staff reduction achievement compared with Management's internal reduction target.