

In addition to present and proposed work on stations in individual community centres, it is anticipated that an improvement in overall coverage of the Yukon and Northwest Territories will result from the building of a new shortwave transmitting station or stations. Funds for this project have not been placed within the five-year capital program, but have been shown in the future years column in the amount of \$2,500,000. The reason for this is that an ad hoc committee of government departments and the Corporation is currently working on the subject of shortwave operations for both international service and northern service. Depending upon the recommendations of this committee, it may be necessary to move this project within the five-year period.

Another aspect of coverage of the northern areas of Canada, indirectly related to the northern service, is the problem presented by low density areas of population which are out of range of the broadcasting coverage provided to more densely populated areas to the south. The Corporation is keenly aware of the need to provide both radio and television coverage to these communities. It may be necessary to divide the available coverage monies between areas which fall within a normal priority list, on the basis of cost per radio or television home, and communities in areas where the need for service indicates special consideration.

Approved and New Projects

This concerns the completion of existing capital projects at various locations, together with new projects over the period of the program, which will develop largely at locations other than Montreal and Toronto. There will be need here to provide for obsolescence, technical developments in the television field, such as video tape recorders and video tape mobile units, etc., as well as to supply facilities to meet production demands as the television service is developed. One of the important new projects which the Corporation intends to recommend is the establishment of a CBC television station in Alberta. The first year of these provisions is represented by the 1960/61 Capital Budget which has already been submitted.

Ordinary Capital

In this category are such items as microphones, microphone stands, loud-speaker units, portable recorders, office equipment, musical instruments, and self-contained technical units, which do not require extensive engineering for their installation. This budget item also provides for improvements to leased or owned properties, which may be necessary as a result of obsolescence, changes in staffing or location of staff, etc. Such expenditures as these are mainly for the maintenance of radio and television operations on the basis of the Corporation's broad planning over the period of the program.

Effects on Operations

The proposed capital program will have very little effect on operations at Toronto and Montreal until consolidation is completed at each location. This is expected to take the full five-year period and assumes a start early in 1960.

With the move of operations in Montreal from twenty-three to two locations and in Toronto from eleven to one location, considerable improvements in efficiency will result.

Improvements in coverage, of course, will add the operating costs of the new stations and the network connections to them gradually over the years as they are established and placed in operation.

The Corporation's operational budgets for 1960/61 have already been submitted, taking all of these considerations into account. The net requirement for this budget year for radio and television operations is just over \$64,000,000. This estimate has been prepared without taking into account any effect of second station television operations on the CBC's commercial revenues.

Operating plans for the coming year are based, however, on adhering pretty closely to developments recommended in the Royal Commission on Broadcasting. It is expected that the Corporation will pursue this development over the years of the current program. A comparison of the net requirements estimated for radio and television by the Royal Commission with the coming year's estimates for