

June 17, 1968
(2:45 - 3:35 p.m.)

MINUTES OF 105TH MEETING

Mr. Hinds moved, seconded by Mr. Davidson,

THAT the minutes of the 105th Finance Committee meeting of the Canadian Broadcasting Corporation held in Ottawa on June 3, 1968, be approved.
CARRIED.

CAPITAL BUDGET - FIVE-YEAR FORECAST, 1969/70 TO 1973/74

The Committee reviewed the agenda item which presented, in addition to the 1968/69 approved capital budget, a summary forecast of capital requirements for the five-year period 1969/70 to 1973/74. The Vice-President, Corporate Affairs (Mr. Fraser) outlined details of the various capital categories included in the projection. He noted that consolidation of plant and facilities at only three major CBC locations made up slightly more than half (\$97,500,000) of the total capital requirements (\$183,000,000) for this period. The remaining capital forecasts consisted of funds for extension of service and coverage \$46,300,000, additions and equipment replacements \$39,000,000 and emergency broadcasting \$500,000.

Analysing the consolidation requirements, the Committee noted that the CBC Montreal plant would absorb the largest proportion of the capital resources in the five-year period. Toronto was next with total completion in future years beyond 1973/74. Other areas of consolidation where only modest starts or planning will be undertaken include Vancouver, Halifax, Winnipeg and Ottawa. However, because the Vancouver situation is particularly urgent, Mr. Fraser indicated Management was endeavouring to advance the commencement of this project from 1972/73 to 1971/72. This, however, will depend on how funds can be re-assigned in the capital programme for 1971/72 and subsequent years.

Referring to the large proportion of each year's capital budget taken up by consolidation needs, the President suggested that the Corporation should approach the Government to see whether they would consider giving the Corporation a capital budget to take care of the regular developments such as additions and replacements to plant and extension of service, which averages between \$17,000,000 and \$19,000,000 per year, plus a separate allocation for consolidation. Similarly, because the Royal Commission on Bilingualism and Biculturalism is expected to recommend in its final report that French-language broadcast service should be extended nationally, special funds for this development outside the regular capital requirements should be sought from the Government.

Elaborating on the projection for extension of broadcast service coverage, Mr. Fraser advised that the \$46,300,000 estimate included: \$23,900,000 English TV network; \$9,600,000 French TV network; \$2,600,000 English radio; \$3,200,000 French radio and a contingency of \$7,000,000 for the building of satellite ground receiving stations should it be necessary for the Corporation to build its own receiving facilities. This is not yet known and the \$7,000,000 item is provisional. It appears that the use of satellites for the transmission of programs will become a reality during this five-year period. Consequently, Management is examining how this development can be used to deliver live television to the North as well as achieving Trans-Canada French TV network coverage. The \$7,000,000 provision will cover the cost of providing the necessary 30 ground receiving stations to service the northern region. Ground receiving stations may also be needed to extend the French network to areas where the service is needed. Transmission from satellite to ground receiving stations is seen as the most economical for our northern stations in the immediate future with direct program reception from satellite to home receivers as a long-range development.