CANADIAN BROADCASTING CORPORATION

FIVE-YEAR CAPITAL PROGRAM

Section 35 (2) of the Broadcasting Act (Chapter 22, Elizabeth II) states:

> " (2) Within one year after the coming into force of this Act, and every fifth year thereafter, the Canadian Broadcasting Corporation shall submit to the Minister and the Minister of Finance, for submission to the Governor in Council, a five-year capital program proposed by the Corporation, together with a forecast of the effect of the program on the Corporation's operating requirements. "

This requirement is being met by the proposals submitted herewith. These constitute a re-examination of the forecast made in 1956 by the Royal Commission on Broadcasting and a re-appraisal of this forecast in the light of developments in the period since the report of the Commission.

Capital

The basic elements of the current five-year capital program are outlined in Exhibit A attached as follows:

a) Consolidation of operations - Toronto and Montreal.
b) Development of television coverage.
c) Development of radio coverage.
d) Completion of current and immediately anticipated capital projects.

It will be noted that, within the five-year period, the proposal plans for an expenditure of some $88,000,000. To complete the projects planned within this period, an additional $13,500,000 would be expended over the following year or two, to bring the projects initiated to completion.

Consolidation of operations at Montreal and Toronto is the first element of the program. The Royal Commission on Broadcasting studying the Corporation's operations in 1956 and 1957, noted the real need in the Corporation's operations for consolidation of facilities at one site. This is a general requirement for all the operating locations where the Corporation maintains both radio and television facilities. However, in the planning of the first five-year capital program, it has been possible to consider consolidating operations for Montreal and Toronto only.

These locations are the hearts of the French and English language national broadcasting services. Two-thirds of the Corporation's operating budgets are spent in these centres, a vital fact in any consideration of operating efficiency.

Both centres share common problems. Widely-dispersed facilities have been forced upon them by television's explosive growth -- and the Corporation's lack of capital.

Today, Toronto is operating out of eleven dispersed locations and Montreal out of twenty-three.

Operations have, unavoidably, become too time-consuming and too costly. There are serious problems in communications, which even additional expenditures on extra mail services, telephones, and transport facilities cannot solve. Trucking of scenery, props, etc., and studio transportation total some $400,000 per year, because of this dispersal of facilities.