CANADIAN ECONOMIC SITUATION

Mr. Prentice noted with concern the changing economic situation in the country and felt that this could have serious repercussions on CBC operations. He suggested that Management consider how the inflationary trend will affect the CBC for this and future fiscal years to determine what remedial steps might be taken now so that a crash austerity programme would not have to be imposed during the last six months of this fiscal year. Following further discussions of the available alternatives to offset an emergency of this kind, i.e., staff reduction, cutbacks in service, etc., the President confirmed that Management would meet with Treasury Board officials as soon as possible to explain the Corporation's position and try to work out a plan.

ENGINEERING

The Directors commended Management on the new approach taken in reporting on this area. The V/P Engineering reviewed the engineering report and advised the Board that the Corporation has received excellent reports from across the country about the qualify of color transmissions.

ADMINISTRATION

(a) Industrial and Talent Relations

The V/P Administration reviewed this report and reported in detail on the current NABET situation and the effect it will have on other staff unions. He noted that this year's estimates are not sufficient to meet the award which the NABET Conciliation Board is expected to recommend, viz., 7½ annually for three years. In reply to a question, Mr. Coderre estimated that this award, multiplied by its impact on other pending union negotiations and non-union employees, could cost the Corporation about $2,000,000 for the current year. He explained that any wage settlement with NABET would be retroactive to January 1, 1966.

The President emphasized the extreme seriousness of this situation and stressed that the $2,000,000 saving needed to meet this situation could only be achieved through the layoff of hundreds of staff. Private discussions with members of the Treasury Board indicate that such layoffs may be avoided by Government action to provide the necessary funds through a supplementary vote. Should suppementary funds not be forthcoming, the Corporation would be forced to accept a strike. The President emphasized that suspension of services through a strike could have a serious effect on the Corporation's commitment to ACTRA. After detailed consideration of the wisdom of attempting to maintain broadcast services through utilization of supervisory personnel, it was the Directors' opinion that, based on the experience of the Montreal producers' strike of 1959, this should not be done. It was agreed that all services in radio and television, except those clasified on radio as "essential communications" be suspended and that the radio circuits be kept alive as required for purposes of the Government's Emergency Broadcasting Plan.