

MEMORANDUM TO CABINET

CANADIAN BROADCASTING CORPORATION

CAPITAL BUDGET 1972/73

The Canadian Broadcasting Corporation recommends that approval be granted pursuant to Section 80(2) of the Financial Administration Act for the Capital Budget appended hereto as Schedule A in the amount of \$31,934,000 which represents the 1972/73 Main Estimates Loan Provision.

The Corporation's first priority plans for the 1972/73 Capital Budget of \$31,934,000, as detailed herein, are predicated on no unusual delays occurring beyond the control of the Corporation in the commencement or completion of projects. When such delays result in surplus funds becoming available within the \$31,934,000, the Corporation may use such funds to finance other priority projects wherever possible, thus ensuring improved service to the public and efficient use of its Engineering staff.

The 1972/73 Capital Budget may be subject to deferrals, cancellations or additions to conform with new policies and decisions on coverage as announced from time to time by the Canadian Radio-Television Commission, the full impact of which cannot be determined at this point in time.

Some \$24,532,000 is required to continue or complete projects already in progress. New undertakings have been estimated at \$7,833,000, in terms of initial expenditures, with an additional provision for Ordinary Capital of \$1,000,000.

The main features of this budget are set out under additional details, Pages

	<u>1972/73 Amounts</u> <u>(\$000's)</u>
1. <u>Extension to Broadcasting Service - Coverage</u>	14,161
This amount includes:	
a) The extension of radio and television coverage to unserved areas, including Mother Tongue service in English and French to unserved language groups.	
b) The extension of service to communities in remote areas.	
c) The extension of coverage by existing stations through relocation and/or increases in power.	
d) The extension of Coverage through the Satellite Development program.	
e) The construction of English language stations at Cheticamp, Mulgrave and Sydney, N.S., to provide alternative service. Also included is provision for the acquisition of French TV facilities at Matane, P.Q. and seven rebroadcasting stations in the Gaspé area.	
Extension of service to unserved communities in the Budget Plan is based on service areas containing 500 or more population for television and radio, except in remote frontier locations.	
2. <u>Other Replacements and Additions to Plant and Facilities, including Minor Capital Items of Office Furniture, Technical Equipment and Improvements to Properties</u>	6,497
Includes provision for essential improvements to existing plants and equipment to maintain an efficient operation; replacement of obsolete equipment; provision of operational aids to reduce operating costs; and continuing of improvements to the International Service transmitting facilities at Sackville, N.B., (\$2,000,000).	
3. <u>Consolidation of Plant and Facilities</u>	12,707
Included is \$7,113,000 to cover construction and engineering for continuing the Place de Radio-Canada project in Montreal and \$5,544,000 for Vancouver Consolidation. \$50,000 is provided for engineering costs associated with the Toronto and Regina/Moose Jaw projects.	