

This point is raised, not because of any similar scandal in Canada -- there has been none -- but because of the principle of network program control.

While the Corporation will continue to seek acceptable contributions to its program schedules it intends to maintain the necessary control over all its programming.

II -- Finance

In dealing with the broad area of Finance, some of the developments during the past year should be mentioned.

CBC radio stations in the fiscal year 1959-60 improved their service to the public through starting their broadcast schedules one hour earlier in the day for early risers. A comparable improvement in television service was made by starting CBC stations one hour earlier during the Fall and Winter season.

CBC put twelve new low-power radio repeater transmitters into operation in unserved areas as well as three new low-power television outlets.

The Corporation also improved the national service for viewers of ten private stations by replacing their service of television network recordings with microwave service.

A new method of television recording -- that of video tape -- has been put to good use by the Corporation. Better quality in television recordings has resulted, and this has made it possible for CBC to improve service to viewers west of Winnipeg through its network relay centre at Calgary. In addition to this the Corporation is utilizing video tape to effect operational convenience and economy. In Montreal, for example, output was increased by 19 programs per week with no increase in studio facilities. This has been possible due to a combination of scheduling changes and the use of tape.

Even with these developments in operations, the achievements in program production, and increasing cost factors which are still very much present, our total expenses including depreciation, were up less than eight percent compared with over 16 percent in the preceding 12 months.

On a budgetary basis, the Corporation had a surplus of over \$6,000,000.