

- 6) General Expenses 5.8 starting at 3.0% and ending at 2.2%

As indicated above, for salaries and wages, the Gross National Produce is expected to increase during the forecast period at a higher rate than the historic rate, and price increases will continue to be sizable because of this. However, these price changes are expected to slide downwards from the current high levels. In 1970/71, irregular price movements will inflate some price indices. A 10% increase in telephone rates is imminent along with a 10% railway passenger rate increase. Allowances have also been made for the imposition of a sales tax in the Province of Alberta.

2. Delayed Impact - 1970/71

This item occurs only in 1970/71 in the amount of \$2.2 million. Built-in increases are added throughout the forecast period. Of the \$2.2 million some \$.6 million relates to new 1969/70 coverage and replacement to plant projects for which an operating outlay is only required for part of 1969/70 requiring a balance to operate on a full year's basis in 1970/71. The remaining \$1.6 million is related in the same vein mainly to programming improvements to be introduced in the fall and winter schedule of 1969/70.

3. Current Service Deficiencies

This provision relates to Regional, Divisional and Head Office requirements for funds to provide for normal workload and improved working conditions. The major element of expense in this category is for 207 additional staff. These requirements while immediate have nevertheless been phased in over a three year period.

4. Consolidation of Plant and Facilities

Additional operating costs are forecast in 1970/71 with a more than offsetting reduction in 1974/75.

Following is a breakdown of these amounts related to the various projects:

	<u>1970/71</u>	<u>Remaining Years</u>
a) Moncton		
TV Production Facilities Phase I	\$250	\$ Nil
Relocate Radio Facilities - Savings	(15)	(15)
b) Fredericton TV Studios	50	Nil
c) Montreal	—	(1,871)
	<u>\$285</u>	<u>\$(1,886)</u>

5. Additions & Replacements to Plant

Operating costs of \$163,000 in 1970/71 increase to \$1,358,000 by 1974/75 to cover mainly the following:

	<u>(\$000's)</u>
<u>1970/71</u>	
Sackville Development Impact	150
Miscellaneous	<u>13</u>
	<u>163</u>