

Your Committee affirms its support of the basic aims and objectives of the C.B.C. We commend the officers of the Corporation for their efforts to further these aims and objectives.

Your Committee regrets that it must report its conviction that the administrative structure of the Corporation is weak and in need of a thorough revision. There is a lack of clear definition of responsibilities and authority of the various executives and junior executives of the Corporation. There appears to be at times a multiplicity of authority, at others, a divided authority in the Corporation, and an apparent lack of effective liaison between the top-level management team on the one hand and those directly responsible for program production and distribution on the other. This has caused confusion and a wavering in morale of many employees, which are factors to which recent troubles of the Corporation may be largely attributable.

Your Committee believes that the process of decentralization of the Corporation's administrative and managerial functions may well have gone too far. The Board of Directors should give immediate consideration to an administrative reorganization and the restoration of clear authority and responsibility to the central headquarters in Ottawa.

Your Committee believes that the Board must assume full responsibility for policy, and recommends that the person occupying the position of Chairman of the Board shall not hold other executive offices in the Corporation, and that a Chairman of the Board be appointed.

Your Committee investigated the charge that "clandestine political influence" was responsible for the removal of the program, "Preview Commentary" and found no evidence to support the charge.

Your Committee recommends that a senior officer of the Corporation, with headquarters in Ottawa, be vested with the clear authority and responsibility for all supervision of production. This officer would be responsible for: liaison between top management and those responsible for the production, presentation and distribution of programs; the observance of budget control; the assurance that one person is definitively responsible for the production and presentation of each program or series of programs.

Your Committee gave lengthy attention to the financial operations of the Corporation. These operations divide naturally into capital expenditures and operating expenditures.

So far as capital expenditures are concerned, your Committee believes the test should be that of demonstrated unduplicated need. In view of the fact that the Corporation is required by Section 35(2) of the Broadcasting Act to submit to the Minister of National Revenue and the Minister of Finance before November 10, 1959, a five-year capital program, your Committee believes any further general comment would not be useful.

Your Committee gave lengthy attention to the financial operations of the those parts of Canada unserved or poorly served by C.B.C. radio and television. Your Committee received from the Director of Engineering a very detailed and enlightening presentation of the problem of extending service to presently unserved areas. These areas are in such contrast to the main urban regions with their diversity of such service, or with other choices, that we would commend to the C.B.C. and to the Governor-in-Council, when considering the capital budget, consideration of extension of facilities, wherever technically feasible, before other large capital expenditures related to the existing service structure (except where these expenditures result in operating economies) or any costly extension of programming hours. In this regard, we commend to the C.B.C. the minimum nodal population figure of 5,000 as a target for such extensions of service within the next five years.