

Executive Committee. At the same time she asked the Committee to bear in mind the natural sensitivity of Directors who were remote from the scene of action in the intervals between meetings. Responding to Mrs. Carter's remark, Mr. Dupuis said he felt sure the Executive Committee and the Board could work together in complete harmony.

At 9:50 a.m. Mr. Leeson took over the chairmanship of the meeting from Mr. Dunsmore in order that the latter might present the report of the Finance Committee. At this point the Comptroller, the Director of Accounting Services, the Vice-President, Engineering and Operations and the Director of Engineering joined the meeting.

Report of 9th Meeting of Finance Committee

Mr. Dunsmore explained that this report covered the Committee meeting held October 9. Noting that Directors had copies of the Committee report in their agenda, he dealt with each section of the report in order, drawing attention to the associated financial tables and inviting comment. In addition to the narrative report Directors had before them under separate cover Statements of Operating Results for the five months ending August 31, 1959, and a Summary of the Five-Year Capital Forecast.

Referring to Sheet 4 of the Statement of Operating Results, Dr. Lumsden asked why income from station time on CBC stations was down from last year. It was suggested that this was largely attributable to the continued drop in commercial network programming on radio, but the President said the point would be checked further and reported on to the Finance Committee.

Five-Year Capital Forecast

Mr. Dunsmore pointed out to the Board significant aspects of the various tables in the submission which Directors had before them. Referring to consolidation at Toronto and Montreal, he said that this amounted to 69% of the total capital expenditure over the five-year period. He noted also that consolidation accounted for an increasing percentage of the total from year to year over the period. In discussion it was made clear that the capital amounts allocated for consolidation in the plan did not represent a net outlay; large capital expenditures would be required at Toronto and Montreal over the period even if consolidation did not take place.

On the subject of operating requirements the Board agreed that these could not be firm beyond the first year of the forecast. The detailed operating budget for 1960-61 had already been prepared and would be processed in the usual way, but operating estimates for subsequent years would have to be treated with great caution and in great confidence.

Dr. Morton asked if Treasury officials, in their discussions with the Corporation had expressed any concern at the amount of CBC cash requirements. In reply, Mr. Dunsmore stated that the Government recognized that, if the CBC were to maintain its services and to meet the obligations imposed upon it, its operating requirements could not be substantially reduced. Insofar as the capital budget for 1960-61 was concerned this would be reviewed at mid-year.

Report of 10th Meeting of Finance Committee

Mr. Dunsmore noted that the Committee had met again October 27 and 28. Replying to a question from Mr. Dupuis the Comptroller explained that the financial data submitted to Treasury Board officials was the same as that contained in Exhibit 3 attached to the Capital Forecast. He pointed out also that the submissions to Treasury officials did not contain any operating forecast beyond 1960-61. The Board indicated it would expect at its next meeting a further report on the discussions between the Corporation and Treasury Board in connection with the financial data supplied by the Corporation.

Mr. Dunsmore noted that Directors had before them the report of the 10th Finance Committee meeting, together with preliminary financial statements on operating results to September 30, 1959. He referred to the principal items in the report and invited comments from Directors.