

At that time it was noted certain changes in allocation would have to be made to "Coverage" because of the CRTC refusal of the Corporation's application for alternative service television stations in Fredericton/Saint John and Bon Accord, N.B. and a number of changes in schedules, delivery of equipment as well as cancellation and/or additions of projects all totalling \$1,005,000. Under "Consolidation", the change in requirement of funds is brought about by a reduction in expenditures of \$2,110,000 on the Place de Radio-Canada project based on the latest construction schedule provided by the contractors. As a result, it is proposed to allocate the total shifts from "Coverage" and "Consolidation" (\$3,115,000) to "Additions and Replacements" for such major items as provision for building purchase and minimal studio facilities for French-language television service at Moncton and the relocation of Moncton radio facilities from leased premises to the Youth Centre Building.

Mr. Davies confirmed that the capital budget as submitted under the Financial Administration Act had received approval and the Secretary of the Treasury Board had advised him that a stipulation had been included whereby the budget would not have to be retabled if changes to line totals do not exceed 20%. The President noted that the shifts from "Coverage" and "Consolidation" were within this tolerance but the addition of \$3,115,000 to "Additions and Replacements" exceeded it. Following further discussion, the Committee requested Management to recast the 1969/70 capital budget for consideration at the next meeting so that adjustments are not made beyond the 20% tolerance permitted by Treasury Board from those originally submitted in accordance with the FAA.

1969/70 OPERATING BUDGET

Following distribution of the 1969/70 operating budget, the Executive Vice-President (Mr. Picard) said that the line totals on the summary sheet were not final because changes may have to be made, but it does give an indication of the magnitude of the budget. Instead of allocating all the monies to the different networks of Head Office, the base or anticipated 1968/69 requirement begins with an estimated surplus of \$4,153,000 and the target for 1969/70 also ends up with a surplus of \$1,603,000.

Mr. Picard then described the build-up of the budget commencing with the base or anticipated 1968/69 requirements; the 1969/70 increases for built-ins, details of which are listed on Appendix I of the agenda report; the operating requirements to meet new coverage projects planned in the fiscal year (Appendix II) and funds for new objectives anticipated by the networks and Management Information Systems. Referring to the English network, Mr. Picard advised that their first estimate for new objectives was \$2,900,000, but this was cut to \$1,900,000. Of this latter amount of network will receive \$1,000,000 in new money and the remaining \$900,000 is to be found through efficiencies. As a condition of receiving \$1,000,000, the English network cannot absorb the \$900,000 efficiency item by changing the schedule, but it must be found in other areas of their budget. Within the total surplus of \$1,603,000, a reserve of \$500,000 has been placed against the English network.

The President noted that Regional Broadcasting has not yet presented any firm plans for new objectives (\$150,000 allotted in the budget). The English and French networks have been assigned \$1,000,000 each for new objectives plus a reserve of \$500,000 for the English network and the effect of this will be to emphasize network broadcasting and submerge the contributions from the regional points. Mr. Picard explained that almost half of the new objective money for the French network would be absorbed for regional purposes and the English network's schedule is expected to use a large proportion of their \$1,000,000 for the Canadianization of their program schedule.